BCE MOBILE

annual report
nineteen ninety-six

experience  talks

Bell Mobility

experience
commitment
results
value

experience
commitment
results
value

bcemobile

BCE Mobile (TSE, ME, NYSE: BCX) is Canada's most experienced full-service wireless telecommunications company. Through its operating subsidiaries, it offers a portfolio of products and services, under the Bell Mobility brand, that bring the lifestyle freedom and business effectiveness of wireless communications to more than 1.4 million customers. Our suite of offerings includes cellular, paging, data, airline passenger and satellite communications services, as well as the sale of cellular hardware and private radio systems. BCE Mobile is a publicly traded Canadian company, 65% owned by BCE Inc.

operating highlights

NYSE

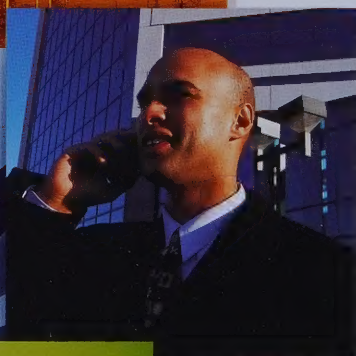
BCE Mobile was listed on the New York Stock Exchange.

PCS

Building the PCS network began in earnest.

$300M

More than $300 million was invested in network expansion and support systems.



239

new employees joined the company.

250,000

Nearly 250,000 net cellular additions expanded our subscriber base.

47%

Calling minutes increased by 47%, while cellular churn decreased to 1.2%.

financial highlights

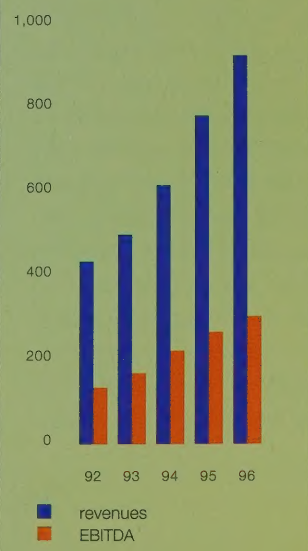
	1996	1995	percent change
millions of dollars			
operations			
Revenues	**$926.3**	$781.0	19%
EBITDA	**302.5**	265.7	14
Net income (reported)	**63.9**	51.0	25
Net income (before non-recurring items)	**60.2**	51.0	18
Cash flow	**235.8**	213.0	11
dollars per share			
per share data			
Earnings (reported)	**$ 0.92**	$ 0.74	24%
Earnings (before non-recurring items)	**0.87**	0.74	18
Cash flow	**3.40**	3.07	11
millions of dollars (at december 31)			
financial position			
Working capital – excluding debt due within one year	**$(59.9)**	$ 53.5 [(1)]	n.m.
Fixed assets – net	**895.6**	730.1	23%
Total debt	**423.4**	429.0	(1)
Shareholders' equity	**547.8**	483.5	13
(at december 31)			
other statistics			
Cellular subscribers	**1,044,000**	798,000	31%
Pagers in service	**396,000**	275,000	44

note 1: Includes $59.1 M of cash and short-term investments
n.m.: Not meaningful

During 1996, the Canadian dollar averaged US $0.729 (1995 – US $0.733). At year end, the dollar traded at US $0.730 (1995 – US $0.733)

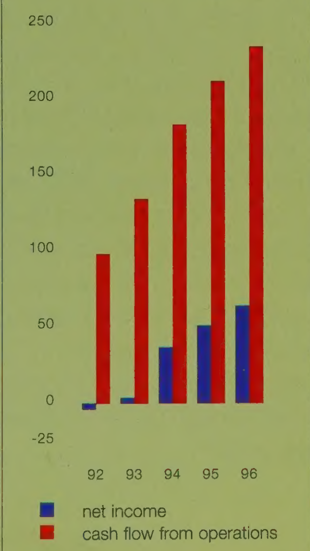
revenues and EBITDA

millions of dollars



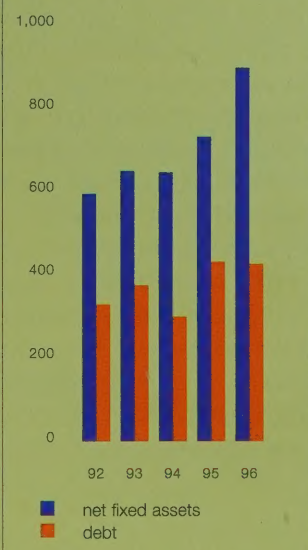
reported net income (loss) and cash flow from operations

millions of dollars



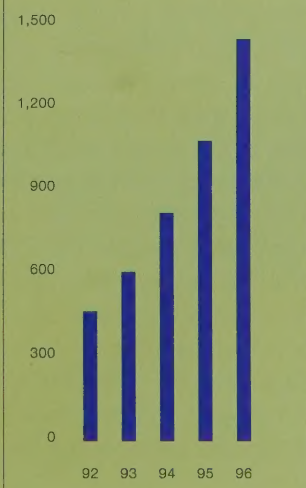
net fixed assets and debt

millions of dollars



consolidated subscriptions

thousands



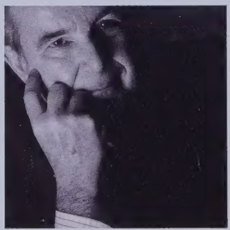
experience means results

The easiest way to measure performance is to look at the results. By those standards, BCE Mobile had a very good year. Picking a single highlight would be difficult – earning the one-millionth cellular customer; listing on the New York Stock Exchange; starting to build the personal communications services (PCS) network of the future; providing exciting careers for our employees – each one matters, but each is only part of a bigger, better story. That story can be told in a few words: experience means results. Our company's experience in all aspects of wireless telecommunications has once again made it possible for us to post the kind of results that our shareholders, customers and employees deserve. And, as we are poised on the edge of a new era of personal communications, our track record is the best predictor of future performance. In particular, the experience we have earned from building and operating networks, acquiring and retaining loyal customers, and running a profitable business – all will be focused on achieving improved service to our customers when we introduce PCS in 1997. I believe that, in one year's time, we will be well-positioned to achieve our medium- to long-term strategy of securing PCS leadership. Our know-how resides in the minds of BCE Mobile's 2,700 employees who deserve congratulations for the results they have delivered, once again. Integrated into a single customer-facing team, BCE Mobile employees operate in a demanding environment where the opportunities to conceive and implement ideas are growing along with the wireless business. Our corporate values stress integrity, responsiveness, accountability, and constant attention to quality – the right kind of environment to attract and keep men and women who are committed to making a difference in what is arguably the most exciting industry in North America. From our customers' perspective, that difference – enhanced productivity, convenience and security in their personal and professional lives – is substantial, valuable, and irreplaceable. It's rooted in our commitment. The dedication of our employees to doing their best every day is reflected in sustained customer loyalty and one of the lowest churn figures anywhere. This is a powerful base for future growth.

We've learned how to work as a motivated team, build networks, serve customers, and operate a profitable business. We've grown according to every measure of achievement. The proof is in our accomplishments.

Consolidated revenues increased by 19% to $926 million. Cellular service and hardware sales accounted for 88% of these revenues, or $814 million. Just as exciting was the remarkable growth in the cellular customer base, from 798,000 at the end of 1995 to 1,044,000 only a year later – a net increase of 246,000. This is the equivalent of adding the total population of the City of Brampton, Ontario in one year alone. Net income before non-recurring items for 1996 was $60 million, an increase of 18% from 1995. That's a change from $0.74 to $0.87 on a per share basis. Moreover, these achievements were recorded during a year when the price of cellular service declined as a result of our efforts to serve our customers with better value and when call volume increased significantly. Increases in network capacity of 25%, coupled with a renewed focus on customer retention, earned Bell Mobility the distinction of having one of the lowest churn rates (1.2%) of any cellular carrier in North America. The cost of attracting customers also increased as we expanded our reach to improve the level of convenience and choice to attract new customers. This is an important issue that Bell Mobility continues to address, through securing enhanced operating efficiencies using segmentation strategies to align costs with revenues received from customers, and through improving the value customers receive from their service. The paging business was challenged in 1996 by an increasingly competitive environment. The 48,000 pagers that resulted from the TeleZone and other acquisitions helped the company achieve some scale economies, and we used our experience to continue to lower the cost of delivering paging services. Airline passenger communications recorded increases in traffic, revenues and contribution compared to 1995. The company made a major step forward in 1996 by listing its shares on the New York Stock Exchange. BCE Mobile joined the select group of 50 or so Canadian companies with a NYSE listing in order to increase the company's visibility with the U.S. investment community and broaden our shareholder base.

Results come from experience brought to life through taking action to change the status quo. The key elements of our strategy call for an increased focus on customers, achieved through the internal reconfiguration of resources and segmentation by customer requirements rather than by technology or geography; an increase in network capacity to meet growing demand; and the simplification of our service packages, customer interface and monthly bill. That's how we created value for customers in 1996 and positioned ourselves to do even better in 1997.



Our strategy is to continue to cultivate our position as Canada's wireless communications leader. In 1996, major resources and effort were spent planning and designing Bell Mobility's PCS network, and developing and pricing subscription packages for customers. Our integrated networks approach will enable us to offer 1.9 GHz digital capability as an extension to our present sophisticated analog network. This means we will be able to leverage our 11 years of experience in operating a successful cellular system to ensure that our customers benefit from seamless handoffs, large coverage areas, enhanced voice sound quality and room to add new features. As an evolutionary technology, digital PCS will build on the popularity of cellular while creating new avenues of growth for 1998 and beyond. Bell Mobility delivered improved customer value by consolidating the range of available service packages it offers to customers in order to make cellular service easier to understand and thus easier to buy. The monthly customer bill was also redesigned and simplified based on extensive research and feedback from customers. In order to focus on its core business, the company redefined its private radio business, divested its holdings in Teletech Financial Corporation and acquired Motorola Canada Limited's minority interest position in Bell-Ardis.

Building the future is about expanding our capabilities based on our experience and analysis of new opportunities. Our goals for 1997 are straightforward: establish a leadership position in PCS as an extension of our total service offerings, and provide our customers with the best value and range of choice for their wireless communications dollars.

Focusing on PCS makes sense because of the appeal this new digital service will have with customers and the ability to integrate it with existing capabilities. In the computer world, this is called "backward compatibility" and it is essential to new technologies. Because of what we have learned so far, Bell Mobility is ideally positioned to capitalize on its knowledge of customers, network operations and marketing to set the standard of excellence in the PCS business. And because we are a business, with responsibilities to shareholders as well as to customers, employees, and the communities we serve, our priority goal will be providing the best customer value in a growing wireless market. Based on the experience of the cellular industry in other countries, we are confident that the Ontario and Quebec markets will continue to grow impressively for some time. Our mission is to take advantage of that growth, and identify and attract those customers whom we are able to serve most profitably. That will be our path to improved results. The advantage of experience is that we know how to create a winning strategy for our future: → We will continue to focus on serving our existing customers beyond their expectations. → We will continue to provide the best environment for men and women who are interested in putting their capabilities to work in an industry that is making a difference to Canadians. → We will build on our track record of profitable operations and deliver growth to our shareholders. → We will put our expertise to work on a number of fronts simultaneously, building new capabilities by stretching the ones we already have.

In doing these things right, we intend to create value for Canadians today and jobs for our children tomorrow, in an industry where Canada is already a world-class competitor and has the potential to be much, much more.

ROBERT A. FERCHAT
CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

More than award-winning service, experience means delivering superior customer value.

Bell Mobility continued to set the pace for superior customer service in 1996. We passed the one million customer mark in cellular service while continuing to operate with the lowest churn rate in the North American cellular industry. Year over year, our overall subscriber base grew dramatically with a 44% increase in paging customers and a 31% expansion in cellular subscribers. As part of Mobility Canada, we generated 61% of Canada's new cellular customers, ending 1996 with 60% of the Canadian cellular market. In any industry, experience means that you know how to gain *and* retain satisfied customers. And that's what we did in 1996.

Achieving and sustaining these kinds of results comes from giving our customers the right kind of communications experience. That's why we improved several customer service functions – from offering initial training on the proper use of mobile devices, to redesigning our bills to improve customer understanding, and reduce servicing costs. And we've speeded up our customer service centres' responsiveness to customer inquiries.


simplybetter

96

Despite our track record of outstanding customer service, in 1996 Bell Mobility completely rethought how it approaches and serves customers. It's what we call up-shifting to the next level of service excellence – from providing customer service to creating *customer value*. Customer value means applying our knowledge built on experience, analysis and intuition to anticipate what our different customers need and then developing products and services that respond appropriately to these different needs and exceed expectations. This development stemmed from our understanding of how our customers' needs will evolve with the introduction of digital PCS and how increased choice will change the dynamics of the wireless marketplace. Consequently, we made three significant changes to better position ourselves. First, we internally reorganized to create a single management structure supporting one of the world's few fully-integrated wireless companies. We will be better able to leverage the superior brand recognition we already have gained in the market across multiple technologies. Second, we turned the entire company into a customer-facing organization. We restructured to improve customer convenience in accessing our services, and to focus our dealers and partners on the most important part of our value equation – providing superior customer value. And third, we reoriented ourselves to concentrate resources on the three key segments that drive our industry – general business, large enterprise/government and consumer segments. This improved our ability to provide our customers with suites of products and services to meet their distinct wireless communications needs, including PCS. Our segmentation strategy will be a critical factor in achieving an appropriate balance between market share growth and profitability growth. As our efforts to enhance customer value begin to pay off, we will succeed in growing our business within the ever-expanding wireless marketplace.

getting it right

The Bell Mobility experience means that our many different customers are offered the best value proposition in the wireless marketplace, served by the most dedicated and knowledgeable employees in the business, and supported by the widest coverage and most sophisticated networks on the continent.

Reorganization has spurred new services development, and created new and renewed partnerships in wireless solutions, development and distribution.

Segmentation has led Bell Mobility to use new approaches to enhance the value of our customers' use of wireless communications. → Mobility Office Provider offers a comprehensive suite of products and services geared to the needs of the rapidly growing mobile office marketplace. → The ChubbTrax vehicle tracking system uses our cellular network to help vehicle fleet managers pinpoint the location of every vehicle equipped with a special microchip.

Our experience also tells us that customer needs frequently cut across segments, so that's why we introduced new services that meet individual user needs regardless of segment. → Globe-trotting customers can now take Bell Mobility with them overseas through the new Global Roam international cellular service. → We demonstrated that satellite phone service is available to everyone in North America – even those in remote locations like the High Arctic – through our support of an expedition to the magnetic North Pole. → To help our customers better manage their costs, we introduced prepaid calling cards and developed the Caller Pays program with Bell Canada to let cellular customers decide who pays for the incoming call charges. → And with FlexTalk, the rates get better the more customers use their phones.

We also expanded the number and types of distribution partners that help us provide customers with the wireless choices they need when they want them. → We created the "Wireless Universe" retail concept with the Future Shop chain. → We joined with Bank of Nova Scotia to offer wireless point-of-sale systems. → Sony of Canada and Oki Telecom were designated as our key handset suppliers for the digital PCS service launch. → We introduced cellular phone service aboard GO Transit trains in southwestern Ontario. → Zellers, Sony Stores and HiFi 2000 joined the Bell Mobility family of authorized retail agents. → And we won approval to distribute Liberti cellular products through Bell Canada's 114 Phonecentre stores. *That's just a start.*

There are times when companies and their people are put to the test – when the stakes go far beyond share values or bottom lines.

These are the times when experience and commitment really count. Just ask the people of Quebec's Saguenay region when floods devastated this area in July 1996. Entire communities were washed away by the torrents of swollen rivers and broken dams. Wireline communications services were wiped out. But Bell Mobility's staff rose to the challenge. We increased network capacity in the area by 300% within 48 hours. We provided cellular telephones to the Sûreté du Québec and the Red Cross. We shipped satellite phones via helicopter into remote communities. We loaned cellular phones to people who were left with nothing but memories and anxious relatives. Bell Mobility employees cut short vacations and worked many 20-hour days to meet the region's needs. And they collected four truckloads of clothes and supplies. Our entire staff took great pride in the contribution they made to assisting their fellow Canadians in the Saguenay. And through this experience, we learned valuable lessons about the power of our people to triumph in the face of misfortune.

One of our priorities is to give back to our communities. That's why in 1996 we contributed over $1.2 million to 190 different organizations and events in communities throughout Ontario and Quebec. Our efforts focused pri-

Experience also means contributing to the communities in which our customers and employees live and work – because it's the right thing to do.

marily on healthcare, education and safety-related causes and other areas where we believe we have experience and expertise that will be particularly beneficial. We also encourage our staff to participate in community activities. Our continuing support for Junior Achievement, United Way/Centraide, St. John Ambulance, The Salvation Army and the fight against juvenile diabetes demonstrates the value that our employees, and by extension the company, gain from performing community service. We established the Bell Mobility Foundation to support organizations and initiatives that involve providing mobile humanitarian assistance to young people, the elderly and the disabled. As part of our Christmas Campaign, the Foundation's support for Toronto's Daily Bread Food Bank and Montreal's Sun Youth Organization provided meals to over 1,000 families in need in December alone. In addition, Bell Mobility joined with the Rotary Club of Toronto and Wellesley Hospital to establish Canada's first Urban Health Unit – a mobile clinic equipped with Bell Mobility cellular telephones – that travels around Metro Toronto bringing necessary health care to under-serviced areas. And we supported Le Bon Dieu dans la rue, a non-profit organization that operates a bus that brings food and clothing to Montreal's street kids.

You don't invest millions of dollars in network expansion unless you are confident of what the future will bring. We expect that the pace of wireless use will continue to increase – as it has every year so far – as more and more Canadians realize the difference that mobility can make to their lives. But 47% annual growth in traffic comes about only if a lot of other things are done right.

Things like creating a value proposition for customers that comes from understanding their needs. And constantly innovating. And leveraging the talents and experience of your employees. And making numerous improvements and never accepting the status quo. Bell Mobility did all these things in 1996 and more. The company backed up its faith in the future of wireless and its commitment to deliver high quality service by substantially investing in our network – adding two switches, 170 new cell sites, 3,200 radio channels and 254 kilometres of fibre optic cable. That's because network traffic is expected to quadruple over the next five to six years. But managing volume is only half the battle. Delivering value to shareholders means growing revenues ahead of expenses by making more efficient use of assets and leveraging the knowledge of network management to generate cost advantages in new platforms of growth. Know-how and experience lets you make the right kind of technology choices, like Bell Mobility did when, in 1996, it selected Code Division Multiple Access ("CDMA") technology as the digital standard for its networks at both 800 MHz and 1.9 GHz. CDMA offers customers superior sound quality and, due to its growing use elsewhere in North America, will enable customers to go where they choose and still enjoy the advantages of digital cellular service. And the better the network, the greater the customer loyalty. This idea of "going anywhere" was also manifest through another BCE Mobile innovation, offering the first commercially available mobile satellite telephone and data transmission service. Now the entire North American continent is accessible to customers using special wireless hardware, giving extraordinary mobility to those who need it. The idea of tailoring mobility solutions for customers continues to be the strong theme in BCE Mobile's technology decisions. This was most evident in 1996 from the commitment of time and resources to designing and building a new network for a new service. A new network for the 21st century. A new network that will let us reach out and serve a new kind of customer.

1 *Technology for today, and tomorrow: Digital PCS gives us a new way to communicate, using a small, integrated handset that has multiple personalities. Everyone is going to want this!*

2 *The preferred North American standard: We'll benefit from having a large roaming area. That's because Bell Mobility digital PCS will use North America's most popular PCS standard, CDMA.*

3 *Built to grow: Digital PCS will grow with us because Bell Mobility's PCS is a fully-digital service. It will be easy to add the calling and service features that we'll need most.*

4 *Up and running: Digital PCS will be tested in Ottawa in the spring of 1997 and is expected to be launched in Ottawa, Toronto and Montreal in the summer and in Quebec City in the fall.*

5 *Built by the best: Bell Mobility is committed to building the best quality digital PCS network in Ontario and Quebec. Their experience in running networks and providing around-the-clock support will make a big difference for all of us.*

That network will carry calls for Bell Mobility's new PCS, the next logical evolution in wireless communications. Broad coverage in a number of urban centres. Interoperability. Resale. Roaming. Bell Mobility's 11 years of experience in designing, deploying and maintaining wireless networks is being brought to bear to fulfill our license requirements. Experience says that a strong start is essential for competitive success with a new wireless product. We developed a roll-out plan in 1996 that will support our strategy to become a leader in PCS. And our new PCS network will deliver more capacity in the next five years than Bell Mobility delivered through its existing cellular network in the last ten. PCS will offer customers a different type of calling experience and it is a service that, we believe, will accelerate the rapid growth in traffic, subscribers and revenues that BCE Mobile enjoyed in 1996. As it is introduced in 1997, PCS will be the basis for still more innovation in network design and optimization, leading to new categories of wireless products that will meet our customers' evolving needs into the next century.


challenging

"It's an experience we share.
Bell Mobility challenges me to grow, to strive, to discover.
I've never worked harder.
And I've never learned more."

striving

"It's an experience we share.
Bell Mobility challenges me to grow, to strive, to discover.
I've never worked harder.
And I've never learned more."

striving

Customer satisfaction is inextricably linked to employee satisfaction. We are very proud of our 2,700 employees and truly believe that, in the end, our people are our real competitive advantage. We took critical steps in 1996 to continue employee development initiatives that directly enhanced their ability to deliver a satisfactory experience to our customers.

Successfully managing the change to an integrated, customer-facing organization represented the key people challenge of 1996. We launched change initiatives that provided the experience we need to develop a broader program for future years. Reorganization also afforded us the opportunity to cultivate new leadership at all levels within the company. In order to provide our people with the tools they need to succeed in a rapidly changing environment, we re-emphasized training as a critical priority. We challenged some of our most talented and experienced staff to develop and deliver in-house training programs geared to rapidly advance up-and-coming managers. Bell Mobility also took action to address issues associated with succession planning, changing compensation plans to create new ways to identify and motivate those employees who will become the next generation of Bell Mobility's leaders. We initiated special projects that allowed employees to round out their experience and increase their ability to continue to contribute to the company at a high level. We piloted a new Work and Lifestyle program in Toronto to understand the best way to provide appropriate flexible arrangements, such as work-at-home options, for interested employees. In the second quarter of 1997, we will be launching the program in Quebec. At the same time, we continue to aggressively recruit high calibre staff. Our 239 new employees attended updated mandatory orientation programs. These programs include visits to customers, dealers and network switches, so that employees gain a deeper understanding of our customers, their needs and the key hardware ingredients that go into delivering a valuable communications experience.

innovate, serve, and succeed

We are privileged to be stewards of connections that can significantly improve people's lives. But we can never rest on our laurels, letting past successes dull the need to be curious, creative, and most important of all, restless about shaping the future. For our mandate has changed as we have grown: once we were a young company concerned with preservation and growth. Today we are in adolescence, still focused on growth but eager to return something to the communities that helped us as we grew. That "something" is part service and part attitude. The service part is the consequence of how well we innovate to provide the newest, best, clearest, simplest, most cost-effective wireless experience. The attitude part acknowledges that the business of providing mobility and connectivity means offering customers a superior value proposition – like coming to market with ideas others haven't thought of, sold in ways that are easy to understand and which generate significant utility for users. And if we do this for enough customers, the benefits to our communities and the country we call home will be immeasurable. All of us at Bell Mobility believe that a company must stand for something beyond the bottom line. What Bell Mobility stands for is people. People who are enabled. People who can go where they want with a confidence they could never have thought possible just ten years ago. People who make a difference to their families, communities, companies, and country. People who embrace the possibilities that technology offers without sacrificing their humanity or sense of control. People who have distant engagements and people who have engagements with destiny. People who built a country with a world of possibilities ahead of it. Canadians. That's who we're in business to serve. *Experience delivers.*

Bob Ferchat, Pierre Lessard, Yves Desjardins-Siciliano, Jim Lovie, Randy Reynolds, Jim Cole and Pierre Robitaille.

consolidated financial results

management's discussion and analysis

BCE Mobile management's discussion and analysis of the financial results of 1996 should be read in conjunction with the audited consolidated financial statements on pages 30 to 46 of this annual report.

overview

millions of dollars	1996	1995	change	percent change
Subscriptions (000)	**1,443**	1,075	368	34%
Net income	**$ 63.9**	$ 51.0	$ 12.9	25
Net income – before non-recurring items	**60.2**	51.0	9.2	18
Revenues	**926.3**	781.0	145.3	19
Operating income before depreciation, amortization and special charges	**302.5**	265.7	36.8	14
Capital expenditures	**329.8**	241.8	88.0	36

The corporation reported consolidated net income of $63.9 million for the year compared to $51.0 million in 1995. Included in the 1996 figure are gains on the sale of investments in Clearnet Communications Inc. ("Clearnet") and Teletech Financial Corporation ("Teletech") totalling $54.9 million (after tax), substantially offset by special charges totalling $51.2 million (after tax). The special charges consist of provisions of $23.6 million (after tax) relating mainly to the corporation's plan to adopt Code Division Multiple Access ("CDMA") as the digital technology platform for its 800 MHz cellular and 1.9 GHz personal communications services ("PCS") operations, and of a write-off of $27.6 million (after tax) of the unamortized balance of deferred hardware costs associated with certain cellular customer contracts. Excluding the gains on sale and the special charges, net income for the year increased by some 18% to $60.2 million.

Consolidated revenues increased by 19% during the year to $926.3 million, as a result of 19% growth in cellular service revenues, 21% growth in equipment sales and other revenues, and 16% growth in paging service revenues.

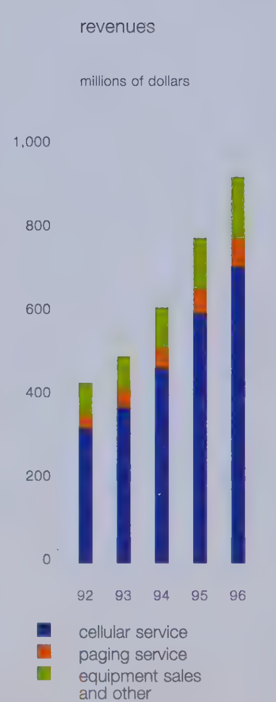
The improvement in operating income before depreciation, amortization and special charges ("EBITDA") of $36.8 million resulted mainly from higher cellular service EBITDA, which in turn was due to a 32% increase in the average number of cellular subscribers during the year, partly offset by lower average revenue per subscriber and higher cellular advertising and customer maintenance expenses.

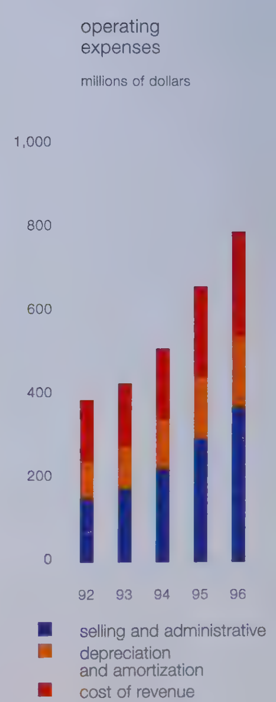
Capital expenditures increased by $88.0 million to $329.8 million. The increase resulted mainly from expenditures for the increase in capacity of the corporation's analog cellular network, expenditures related to the introduction in 1997 of digital PCS and from non-network expenditures designed to improve customer service and productivity.

results of operations

millions of dollars	1996	1995	change	percent change
Contributions to EBITDA:				
Cellular service	**$ 291.9**	$ 256.3	$ 35.6	14%
Paging service, equipment sales and other	**10.6**	9.4	1.2	13
	302.5	265.7	36.8	14
Depreciation and amortization	**(170.2)**	(147.6)	(22.6)	15
Special charges	**(70.6)**	–	(70.6)	n.m.
Gains on sale of investments	**66.5**	–	66.5	n.m.
Interest expense	**(34.7)**	(37.7)	3.0	(8)
Other items	**(1.8)**	6.1	(7.9)	n.m.
Income before income taxes	**$ 91.7**	$ 86.5	$ 5.2	6

n.m.: Not meaningful





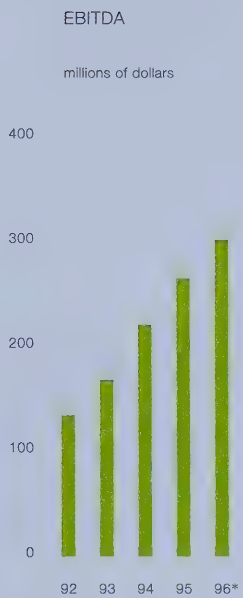
Cellular continued to show impressive growth in 1996, driven by strong demand and lower churn. Revenues increased 19% and earnings before non-recurring items increased 18%. The investment-grade credit rating of BCE Mobile's cellular operating company was confirmed by Standard & Poor's.

cellular service

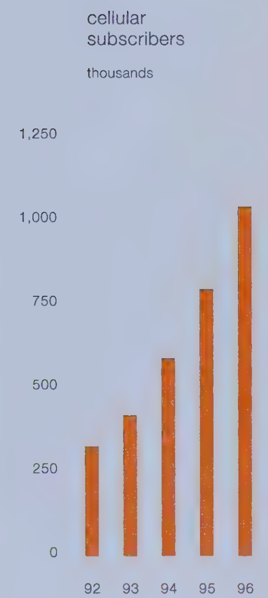
The increase of $35.6 million in the contribution of cellular service to consolidated EBITDA resulted from a $110.8 million increase in cellular service revenues, net of a $75.2 million increase in cellular service operating expenses, excluding depreciation and amortization.

Cellular service revenues totalled $708.7 million in 1996, up 19% over last year. The increase was mainly due to a 32% increase in the average number of cellular subscribers, partly offset by lower revenue per subscriber.

		1996	1995	change	percent change
Subscriber activations	(000)	**376**	310	66	21%
Subscriber deactivations	(000)	**130**	104	26	25
Churn rate	(%/month)	**1.2**	1.3	(0.1)	
Subscribers (end of period)	(000)	**1,044**	798	246	31
Average subscribers	(000)	**884**	668	216	32
Service revenue per average subscriber	($/month)	**67**	75	(8)	(11)



*before special charges



Subscriber activations in 1996 were 376,000, or some 21% higher than in 1995, reflecting continued strong demand for service particularly in the consumer market. Some 141,000 or 38% of 1996 activations occurred in the fourth quarter (39% in the fourth quarter of 1995) as cellular service continued to be a popular Christmas gift item.

The total number of subscriber deactivations increased 25% to 130,000 during the year, reflecting the significantly larger subscriber base. However, the rate of customer deactivation or churn decreased to 1.2% per month.

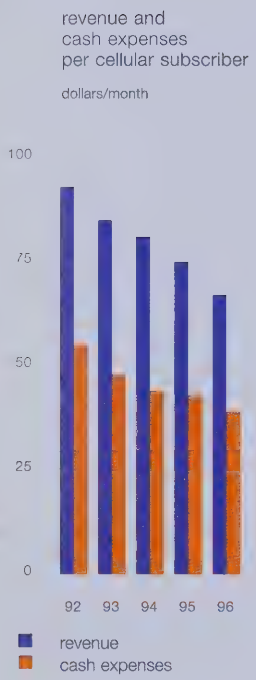
Based on available public information, the corporation believes its churn rate is among the lowest of North American cellular operators and attributes this result to high customer satisfaction levels and the design of its rate plans which encourage customers to enter into service contracts of one year or more.

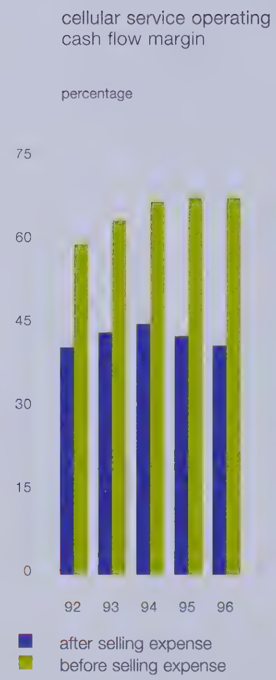
Revenue per average subscriber decreased 11% to $67 per month in 1996 from $75 in 1995. Lower net access charges due to growth in the consumer market, lower usage revenues due to the shift to rate plans with low off-peak pricing and a higher level of discounts contributed to lower revenue per average subscriber.

components of the cellular service operating cash flow margin

millions of dollars	**1996**	1995	change	percent change
Cellular service revenues	**$ 708.7**	$ 597.9	$110.8	19%
Operating expenses excluding depreciation and amortization	**(416.8)**	(341.6)	(75.2)	22
Operating cash flow	**$ 291.9**	$ 256.3	$ 35.6	14
Margin (%)	**41**	43	(2)	

In 1996, the corporation introduced the FlexTalk series of rate plans which feature declining per minute charges as monthly usage increases. These plans offer an immediate rate adjustment in response to a subscriber's changing usage patterns without the need for the subscriber to change rate plan. Consistent with BCE Mobile's objective to simplify its service offerings, the corporation introduced three FlexTalk plans to replace eight existing rate plans.





Cellular cost of revenue, which consists mainly of costs associated with cellular network operations, cell site leases and interconnection with the wireline telephone company, increased by $11.3 million in 1996. Higher facilities costs and government licensing fees due to increases in network capacity and higher roaming charges were responsible for the increase.

Selling expenses, which include costs incurred to acquire new subscribers as well as initial and residual dealer commissions and the amortization of deferred Liberti hardware costs related to the existing subscriber base, increased by $37.1 million or 25% over last year primarily due to a 21% increase in subscriber activations. The higher selling expenses resulted from increased commissions paid to dealers and retailers ($18.5 million), amortization costs for Liberti hardware ($6.6 million), advertising and promotional support paid to dealers ($10.2 million), and employee-related and other selling expenses ($1.8 million). On a per gross activation basis, selling costs increased by 2% to $495 per activation in 1996 from $483 in 1995.

In 1996 and prior years, Bell Mobility Cellular amortized the cost of the cellular telephone included in Liberti packages over the life of the subscriber's service contract, to a maximum of 18 months. Effective January 1, 1997, the company discontinued this practice and commenced expensing these costs as incurred, having written off the unamortized balance of hardware costs as of December 31, 1996.

Other cellular operating expenses, which include expenses necessary to maintain the subscriber base, increased by some $26.8 million in 1996 mainly as a result of a 31% increase in the subscriber base. The increased expenses are due mainly to higher employee-related and occupancy expenses in the customer service, billing and collection areas.

paging service, equipment sales and other

Paging service, equipment sales and other include the operation of Canada's largest paging business, airline passenger communications services providing air-to-ground and ground-to-air voice and data communications for passengers travelling on Air Canada flights, cellular data and wireless packet data communications services, the design, installation and maintenance of major private radio networks, the sale of mobile satellite air time, consulting services and the sale of cellular, paging and wireless data hardware.

The contribution of paging service, equipment sales and other operations to consolidated EBITDA increased by $1.2 million in 1996. Higher contributions from equipment sales and other activities ($4.6 million), mainly from private radio and airline passenger communications operations, were partly offset by a lower contribution from paging operations ($3.4 million).

Revenues from equipment sales and other operations totalled $149.3 million, up $25.1 million or 20% from 1995 mainly due to higher cellular product sales. Some $104.9 million or 70% of the $149.3 million represent the sale of cellular products to dealers ($89.6 million in 1995).

The decrease in paging service contribution to consolidated EBITDA resulted from increased operating costs of $12.8 million, partly offset by revenue increases of $9.4 million. The increase in paging service revenues of $9.4 million or 16% resulted from a 35% increase in the average number of pagers in service ($20.8 million), partly offset by lower revenue per average pager ($11.4 million).

		1996	1995	change	percent change
Pagers in service (end of period)	(000)	**396**	275	121	44%
Pagers in service (average)	(000)	**334**	247	87	35
Churn rate	(%/month)	**3.0**	2.9	0.1	
Revenue per average pager	($/year)	**204**	239	(35)	(15)

Pagers in service grew some 44% to reach 396,000 at the end of 1996. Included in the growth in 1996 are some 48,000 pagers acquired from TeleZone Corporation ("TeleZone") and Réseau Uni-Page Inc. Excluding acquisitions, pagers in service grew 27% compared to 25% in 1995.

Revenue per average pager decreased 15% to $204 per year in 1996 from $239 last year. The decrease resulted principally from a larger proportion of lower revenue generating customers in the pager base and from lower prices. The change in paging customer mix was due to growth in the consumer segment for paging and to the acquisitions made during the year. The trend for customers to own rather than rent their pagers also contributed to the lower revenue per pager.

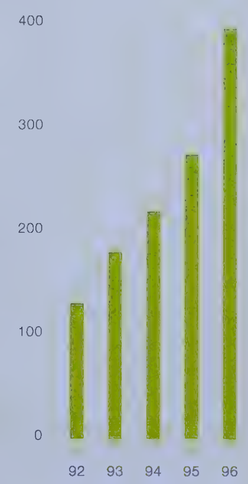
Paging cost of revenue, consisting of costs related to paging network operations, transmitter site leases and the costs of interconnection with the wireline telephone company, increased by $4.9 million in 1996. The increase resulted mainly from higher site rental and interconnection costs associated with an increase in the number of transmitter sites.

Selling expenses, which include costs incurred to acquire new paging customers, increased by $2.7 million over last year primarily as a result of a 38% increase in pager activations (excluding acquisitions). The higher selling expenses resulted mainly from increased commissions paid to dealers and agents ($1.2 million) and higher advertising ($0.9 million). On a per pager activation basis, selling costs decreased by 8% in 1996, mainly as a result of increased activations.

Other paging operating expenses, which include expenses required to maintain the paging customer base, increased by some $5.2 million in 1996 mainly as a result of a 44% increase in the number of pagers in service. The increased expenses are due mainly to higher employee-related and occupancy expenses ($2.5 million), higher bad debt expense ($1.5 million), and a lower margin from pager sales ($1.2 million).

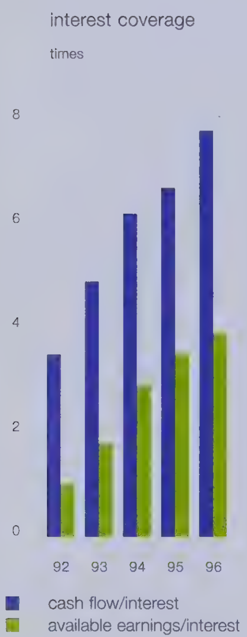
pagers in service

thousands



depreciation and amortization

Depreciation and amortization increased by $22.6 million compared to 1995, reflecting mainly the impact of the higher level of fixed assets ($12.7 million) and provisions for accelerated depreciation ($9.3 million). As discussed in "Overview", the corporation recorded provisions relating to its plan to adopt CDMA as its digital technology platform. These provisions included $9.3 million of accelerated depreciation on assets that will no longer be useful in a digital PCS environment.



special charges

During the year, BCE Mobile recorded special charges totalling $70.6 million (before tax) – $22.5 million relating to the cost of providing handsets to existing Time Division Multiple Access ("TDMA") digital cellular customers in order to facilitate their migration to CDMA digital PCS, and $48.1 million for the write-off of the unamortized balance of hardware costs associated with certain cellular contracts. In the past, these hardware costs were being amortized over the life of the customer contract, to a maximum of eighteen months. The $48.1 million write-off represents the unamortized hardware cost balance at December 31, 1996. Consistent with the write-off, effective January 1, 1997 the corporation will fully expense these costs as incurred.

interest expense

Interest expense decreased by $3.0 million from 1995 as a result of a lower cost of debt ($7.0 million), partly offset by higher average debt outstanding ($4.0 million). The lower cost of debt resulted mainly from the maturity of Bell Mobility Cellular's 11.3% senior unsecured debentures, series C, which were temporarily refinanced with BA-based bank borrowings. Also supporting the corporation's lower cost of borrowing was the confirmation during 1996 of Bell Mobility Cellular's investment-grade credit rating from Standard & Poor's (BBB+). Early in 1997, Bell Mobility Cellular raised $150 million of ten-year debentures with a coupon of 7.3%. At December 31, 1996, the weighted average interest rate on BCE Mobile's fixed-rate debt was 8.3% (9.0% at December 31, 1995). Some 79% of the debt was in fixed-rate debentures and term bank financing. All debt repayments are in Canadian dollars or are fully hedged into Canadian dollars.

risks and uncertainties

competition in cellular and PCS

In 1985, Industry Canada (previously the "Department of Communications") awarded two cellular licenses in each service area in Canada, which has resulted in a highly competitive cellular industry in Canada. Emerging wireless technologies such as PCS and enhanced specialized mobile radio ("ESMR") are expected to increase the level of competition in the Canadian wireless industry. Management believes that the development of significant competition from new wireless service providers offering PCS or ESMR services is dependent upon their ability to successfully fund and build networks capable of offering service which is comparable in functionality and value to the services offered by BCE Mobile's businesses.

BCE Mobile cannot predict what impact increased competition and the introduction of new services will have on the growth rate of its existing wireless operations or on the pricing of its current services. The corporation intends to compete vigorously in the wireless markets of the future, using its proven capabilities in the deployment and operation of wireless networks, its marketing expertise and its financial resources. It also intends to continue to enhance its existing wireless services as technology evolves, to apply for new radio licenses and to deploy new services to the benefit of its customers and shareholders.

[illegible] In December 1995, Industry Canada awarded licenses to provide PCS in the 1.9 GHz range to the shareholders of Mobility Canada including BCE Mobile, Rogers Cantel Mobile Inc. ("Rogers Cantel") and to two other companies. BCE Mobile and Rogers Cantel each received a license for 10 MHz of radio frequency spectrum in the 1.9 GHz range, while subsidiaries of Clearnet and of Microcell Telecommunications Inc. ("Microcell") each received PCS licenses for 30 MHz of radio frequency spectrum. Industry Canada did not license all of the available spectrum and has stated its intention to evaluate the need to allocate further PCS spectrum in two years. PCS is expected to compete with cellular and other existing wireless services and eventually with local wireline access services.

In November 1996, Microcell launched its PCS offering marketed under the "Fido" brand name in Montreal within a restricted urban footprint using the Global System for Mobiles ("GSM"), a digital technology standard that is relatively new to North America. GSM, or "PCS 1900" as it is referred to when being used in North America at 1.9 GHz, began as a European standard. It is expected to be one of the three or four principal digital wireless standards in the world. Microcell is expected to compete for customers and for distribution channels directly against the corporation's cellular and PCS networks. Sprint Corporation holds an indirect interest in Microcell.

Clearnet is expected to begin offering PCS in major Canadian cities in the second half of 1997. Clearnet will use CDMA technology, as will BCE Mobile, thereby providing its PCS customers the opportunity to migrate with their handsets to BCE Mobile if they so desire and the possibility for BCE Mobile's PCS customers to do the same.

In November 1996, Rogers Cantel announced the launch of digital "PCS" service on its 800 MHz network. To obtain this PCS service, customers are required to purchase a new upgraded version of their digital TDMA handset.

ESMR Clearnet, which is a specialized mobile radio ("SMR") operator, owns an ESMR network in Canada which offers cellular-like service. The majority owners of Clearnet are Motorola Canada Limited and NEXTEL Communications Inc. Clearnet's network currently covers the Windsor, Ontario to Quebec City, Quebec corridor. Since September 1996, the corporation has faced additional competition in some parts of its operating territory from Clearnet's ESMR service which is marketed under the brand name "MiKE". MiKE delivers cellular-like voice services, paging, and dispatch on a single handset.

Clearnet has stated that it intends to encourage the conversion of its 55,000 existing SMR customers to ESMR and to attract customers who use more than one wireless service, such as cellular and paging, cellular and dispatch or dispatch and paging. Clearnet's MiKE network is also expected to attempt to attract new customers from the existing pool of private radio users and mobile communications-intensive corporate clients with multiple employee-users.

From a competitive perspective, management believes that the MiKE network will initially be a niche application based on proprietary network infrastructure, high handset cost, and restricted coverage compared to cellular. Clearnet is also not expected to be alone in the pursuit of this niche market. GeoNet Canada and Groupe Communications Services (C.S.) Inc. have been allocated the necessary spectrum from Industry Canada and are expected to launch their own ESMR networks.

digital technology choice

After extensive analysis of the quality and capacity benefits of available digital technologies, the corporation has elected to adopt the CDMA standard as a platform to deliver network capacity, quality voice transmission and value-added services.

BCE Mobile's network strategy is to use 1.9 GHz CDMA in the main urban centres in its licensed territory to provide capacity for the highest concentration of subscribers. Outside of these areas, the corporation will use 800 MHz CDMA which generally has the same functionality as 1.9 GHz CDMA. Due to the nature of the lower frequency band, CDMA at 800 MHz can be deployed with fewer cells, thereby reducing network costs. Until CDMA is deployed in its entire coverage area, BCE Mobile subscribers can continue to use the 800 MHz analog cellular network.

Management believes that the choice of CDMA as the digital technology at both 800 MHz and 1.9 GHz will deliver a superior network in terms of voice quality, capacity, integration with its current analog cellular network, and cost.

In October 1996, BCE Mobile signed contracts with Sony of Canada and Oki Telecom, together worth almost $200 million, for the provision of PCS handsets. In December, the corporation and Northern Telecom signed a $400 million, three-year supply contract for cellular and PCS network infrastructure equipment. These contracts are significant components of BCE Mobile's plans to offer digital PCS in 1997 and digital cellular in 1998.

The operations of the corporation depend in part upon the successful deployment of continuously evolving wireless communications technologies and the corporation makes significant capital expenditures in connection with the deployment of such technologies. There can be no assurance that such technologies will be developed according to anticipated schedules, that they will perform according to expectations, or that they will achieve commercial acceptance. The corporation may be required to make more capital expenditures than are currently expected if vendors fail to meet anticipated schedules, if a technology's performance falls short of expectations, or if commercial success is not achieved.

paging market trends

The expansion of US paging operators into Canada in 1996 has increased the level of price competition in the Canadian paging industry and contributed to a decrease in revenue per pager. Management does not believe that the new operators have made significant gains in market share. Coincident with their entry is the development of a consumer market for paging which has contributed both to the growth in the number of pagers in service and to the decrease in revenue per pager.

investment opportunities

The corporation may from time to time pursue investment opportunities in the wireless industry beyond its current portfolio of services and its current geographic territory in order to maximize its future growth and profit potential. Such opportunities will be carefully evaluated in terms of their overall strategic and financial value to BCE Mobile. A prime objective is to leverage the corporation's current strengths and capabilities and to develop alliances which will benefit its customers and its shareholders.

mobile satellite services

MSAT In connection with the reorganization of Telesat Mobile Inc. ("TMI") in 1993, BCE Mobile agreed to exchange its $30 million investment in debentures and share purchase warrants of TMI for a service agreement with TMI Communications and Company, Limited Partnership ("TMI Communications"), TMI's successor company. The agreement stipulates that TMI Communications will provide 50 million minutes of MSAT satellite capacity to BCE Mobile at no additional cost during the first five years of the contract's seven-year term. The term began in January 1996 when TMI Communications commenced a commercial satellite service using leased satellite capacity. TMI Communications launched its own satellite in April 1996. While management expects that its mobile satellite business will be commercially successful, it cannot predict the extent of the market for MSAT services or the rate at which it will develop and allow realization of the 50 million minutes available under the service contract. As of December 31, 1996, some 900,000 minutes had been sold.

IRIDIUM BCE Mobile, primarily as a shareholder of Iridium Canada Inc., is participating in the US $3.9 billion IRIDIUM mobile communications satellite project. The IRIDIUM system is expected to provide global voice and data communications services by 1998 through a network of 66 low-earth orbit satellites. Iridium Canada Inc. holds approximately 4% of Iridium, L.L.C. and 20% of the project's North American gateway. At December 31,

1996, BCE Mobile had invested US $43.9 million (C $59.5 million) in the project, and under certain circumstances may be required to invest an additional US $6.7 million in Iridium, L.L.C. Additional financing from the project's equity investors beyond current commitments may be required to complete construction of the satellite network, if the project is unable to secure sufficient debt financing. Also, additional funding will be required to fund the construction and initial losses of the project's North American gateway.

regulation

regulatory environment Canadian wireless carriers, including BCE Mobile, face increased uncertainty in the regulatory environment due to a number of matters under consideration by Industry Canada and the Canadian Radio-television and Telecommunications Commission ("CRTC"). These matters, which may present increased risks resulting from governmental policies and decisions designed to increase competition and facilitate the establishment and development of new wireless service providers, could also present new opportunities for the corporation. For example, in November 1996, the CRTC permitted Bell Mobility Cellular to market its Liberti cellular products in the retail outlets of its wireline affiliate, Bell Canada. The CRTC has also indicated that it intends to review the continued applicability of joint marketing restrictions which presently prohibit Bell Mobility Cellular from marketing products and services jointly with Bell Canada. Management cannot predict the outcome of these initiatives.

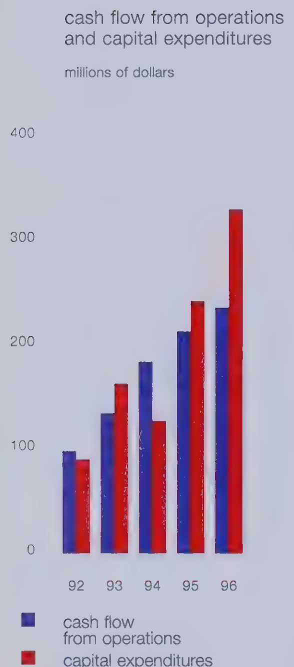
current regulatory issues The CRTC initiated a number of proceedings in 1996 that are examining whether to mandate access (resale, unbundling, equal access) for competitors, the appropriate form of regulation for wireless carriers, contribution towards the local telephone service subsidy and new common channelling signalling system tariffs ("CCS7"), which will provide greater trunking efficiencies and the ability to offer enhanced features for wireless carriers.

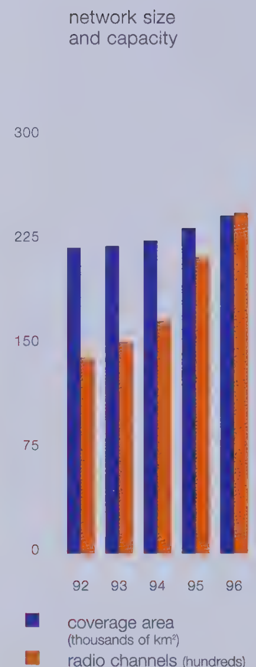
resale The CRTC is examining whether or not to mandate resale and sharing of cellular and PCS services. The record of this proceeding is complete and a decision is expected in the first quarter of 1997. Management favours resale as long as it is free to negotiate commercially acceptable terms with third parties that offer services which add value to BCE Mobile customers. The impact of resale on the corporation's business depends on the terms and conditions established by the CRTC, if any. The corporation expects that, irrespective of government decisions on resale of cellular and PCS services, wireless carriers will develop commercial resale offers to fill new digital capacity on cellular and PCS systems.

unbundling, equal access, co-location The CRTC, in response to applications from Air Reach Integrated Network Ltd. and Sprint Canada Inc., initiated a proceeding to examine applying the same type of mandated interconnection/-access requirements to wireless carriers as currently apply to monopoly telephone companies. The impact of such arrangements, if mandated, will depend on the extent to which competitors bear the costs of such arrangements. A decision is not expected until the spring of 1997. BCE Mobile and other wireless carriers have argued that mandated access arrangements are unnecessary in competitive markets and inconsistent with the CRTC's regime of conditional forbearance for the regulation of cellular carriers. Should any such arrangements be mandated, a further proceeding would likely be required in 1997.

regulatory framework Under the existing regulatory regime, cellular carriers are not required to file tariffs for service offerings. The CRTC retained residual powers to look at matters of network access and unjust discrimination. In December 1996, the CRTC reaffirmed the existing regime of conditional forbearance for the regulation of cellular carriers and extended the same regime to PCS and ESMR service providers. The corporation had sought a level regulatory playing field with respect to all providers of mobile telephone services.

local competition The CRTC is expected to issue a decision on local exchange competition in 1997. Wireless issues to resolve include CCS7 interconnection and local contribution. CCS7 interconnection is expected to result in a reduction in payments the corporation currently provides to Bell Canada for interconnection and permission to provide a new suite of value-added services. The size of the reduction will relate to whether the CRTC adopts mutual compensation for call termination and the adoption of local and/or toll contribution payments to support local wireline service. These gains could be offset significantly if the CRTC requires wireless carriers to pay an additional contribution on some or all local minutes. The size of any contribution requirement would vary depending on whether it applies on all local minutes or only on CCS7 connecting trunks.





toll contribution The CRTC is examining whether to broaden the base of minutes contributing to the local service subsidy to include wireless toll minutes. A decision is anticipated in 1997 at about the same time as the decision on local competition.

The year 1997 also will be important insofar as the development of spectrum policy is concerned. Industry Canada is expected to develop policies for the auctioning of spectrum through a consultative process commencing in the first quarter. Industry Canada is also examining changes to license fees for wireless carriers. It is anticipated that changes to fees will be applied to cellular, PCS and ESMR carriers on a competitively neutral basis. The corporation is supportive of any auction process that includes some form of property rights and the ability to trade in, aggregate or disaggregate spectrum.

economic fluctuations

The corporation's performance is affected by the general condition of the economy, with demand for wireless services and the amount of cellular use tending to decline when economic growth and retail activity decline. It is not possible for the corporation to accurately predict economic fluctuations and the impact of such fluctuations on its performance.

liquidity and capital resources

millions of dollars	1996	1995	change	percent change
operating activities				
Cash flow from operations	**$ 235.8**	$ 213.0	$ 22.8	11%
Other operating activities	**(30.9)**	18.5	(49.4)	n.m.
	204.9	231.5	(26.6)	(11)
investing activities				
Capital expenditures	**(329.8)**	(241.8)	(88.0)	36
Divestitures and other	**106.5**	3.4	103.1	n.m.
Investments and acquisitions	**(44.2)**	(62.4)	18.2	n.m.
	(267.5)	(300.8)	33.3	n.m.
financing activities				
Debt	**(5.6)**	130.0	(135.6)	n.m.
Equity	**(0.6)**	4.4	(5.0)	n.m.
	(6.2)	134.4	(140.6)	n.m.
Change in cash	**$ (68.8)**	$ 65.1	$(133.9)	n.m.

n.m.: Not meaningful

Cash flow from operating activities decreased by $26.6 million in the year due to an increase in working capital requirements ($49.4 million), partly offset by higher cash flow from operations ($22.8 million). The increase in working capital requirements in 1996 is due mainly to an increase in current assets relating to higher revenues, as well as an increase in inventories of cellular hardware and pagers.

The higher cash flow from operations was due to higher EBITDA, partly offset by higher current taxes in 1996. All of Bell Mobility Cellular's tax losses carried forward from prior years were fully utilized by the fourth quarter of 1995. Excluding the impact of current taxes on both years, cash flow from operations increased 16% or $36.8 million in 1996. Investing activities decreased by $33.3 million. Higher proceeds from divestitures ($103.1 million) and lower investments and acquisitions ($18.2 million) were partly offset by higher capital expenditures ($88.0 million).

Capital expenditures in 1996 consisted of $228.9 million for cellular service and $100.9 million for paging service and other operations. Cellular capital expenditures were primarily for the expansion of the capacity of the cellular network in response to both the increase in the number of cellular subscribers and to the increase in usage per subscriber, as well as for improvements in customer service and productivity. Other capital expenditures consisted of initial investments in the corporation's digital PCS network and expenditures to modernize its paging network to allow for new pricing and service packages.

Divestitures and other during 1996 consisted mainly of the proceeds of sale of BCE Mobile's investment in Clearnet ($65.7 million) and Teletech ($12.3 million), as well as a reimbursement of funds relating to BCE Mobile's investment in AirLink, L.L.C. ("AirLink") ($27.2 million). Most of the AirLink investment, made in 1995, represented BCE Mobile's share of the deposit required for AirLink's participation in the "C Block" auctions for PCS spectrum in the United States. In March 1996, AirLink withdrew from the auctions and the deposit was refunded to its investors. BCE Mobile then wrote off the balance of its remaining investment and costs associated with the AirLink project.

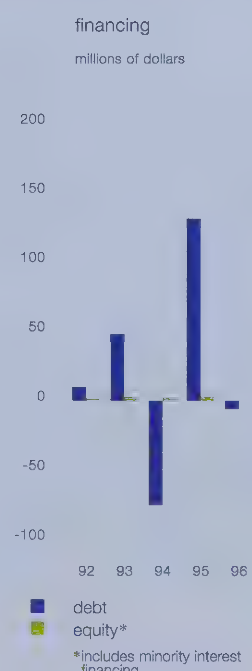
Investments and acquisitions include the purchase of the paging operations of TeleZone ($18.8 million), investments in the IRIDIUM satellite project ($18.9 million) and the purchase of the 40% minority interest in Bell-Ardis held by Motorola Canada Limited ($2.0 million).

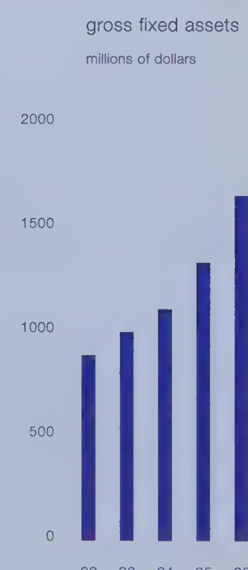
Cash flow from investing activities exceeded operating activities by some $62.6 million during the year. In addition, Bell Mobility Cellular repaid the $90 million senior unsecured debentures, series C at maturity in June and the $4 million partial maturity of the senior unsecured debentures, series B in August. These requirements were funded with cash on hand and from borrowings on the corporation's existing bank credit facilities. At December 31, 1996, BCE Mobile's ratio of debt to total capital was 44%, compared to 43% at December 31, 1995. The 1995 ratio has been adjusted to deduct outstanding cash and temporary cash investments from total debt.

In January 1997, Bell Mobility Cellular issued $150 million of senior unsecured debentures, series E. The debentures, which were sold to a group of major Canadian and US institutional investors, mature in January 2007 and carry a coupon of 7.3%. The proceeds of the issue will be used by Bell Mobility Cellular primarily to fund its 1997 capital expenditure program relating to its existing analog cellular network and to the roll-out of its digital network, including initial investments in PCS.

Continued growth in demand for analog cellular services is expected to generate significant capital expenditure requirements in 1997. Also, capital investments will be required to build out the corporation's digital PCS network in 1997. BCE Mobile anticipates that capital expenditures for 1997 could exceed $400 million.

Anticipated financing requirements in 1997, including $6.1 million of scheduled repayments on the corporation's long-term debt, can be met with the proceeds of the Bell Mobility Cellular senior unsecured debentures, series E and with existing bank credit facilities. At December 31, 1996, BCE Mobile's committed unused credit facilities totalled $289.9 million. The corporation will consider meeting a portion of its financing requirements for 1997 with additional term securities, if market conditions prove advantageous.





management's responsibility for financial statements

The accompanying consolidated financial statements of BCE Mobile Communications Inc. and its subsidiaries (collectively BCE Mobile), and all information in this annual report are the responsibility of management and have been approved by the board of directors.

The financial statements have been prepared by management in conformity with Canadian generally accepted accounting principles. The financial statements include some amounts that are based on best estimates and judgments of management and in their opinion present fairly BCE Mobile's financial position, results of operation and changes in financial position. Financial information used elsewhere in the annual report is consistent with that in the financial statements.

Management of BCE Mobile, in furtherance of the integrity and objectivity of the financial statements, has developed and maintains a system of internal controls and supports a program of internal audits. Management believes the internal controls provide reasonable assurance that financial records are reliable and form a proper basis for preparation of financial statements and that BCE Mobile's assets are properly accounted for and safeguarded. The internal control process includes management's communication to employees of policies which govern ethical business conduct.

The board of directors carries out its responsibility for the financial statements in this annual report principally through its audit committee, consisting solely of outside directors. The audit committee reviews the corporation's annual consolidated financial statements and other information in the annual report and recommends their approval by the board of directors. The internal and the shareholders' auditors have free and independent access to the audit committee.

These financial statements have been audited by the shareholders' auditors, Deloitte & Touche, chartered accountants, and their report is presented below.

February 11, 1997

Robert A. Ferchat
Chairman of the Board
& Chief Executive Officer

Pierre N. Lessard
Senior Vice President, Finance & Administration
and Chief Financial Officer

auditors' report

To the Shareholders of BCE Mobile Communications Inc.

We have audited the consolidated balance sheets of BCE Mobile Communications Inc. as at December 31, 1996 and 1995 and the consolidated statements of income, retained earnings and changes in financial position for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 1996 and 1995 and the results of its operations and the changes in its financial position for the years then ended in accordance with Canadian generally accepted accounting principles.

Montreal, Quebec
February 11, 1997

Deloitte & Touche
Chartered Accountants

consolidated balance sheets

for the years ended December 31 thousands of dollars	1996	1995
assets		
Current		
Cash and short-term investments (Note 3)	$ –	$ 59,088
Accounts receivable – net of $7,425 (1995 – $5,356) of provisions for uncollectibles	179,195	145,986
Inventories	44,213	20,738
Prepaid expenses and other current assets	14,079	34,929
	237,487	260,741
Investments (Note 4)	61,476	80,062
Fixed assets (Note 5)	895,618	730,072
Licenses and permits, net of accumulated amortization of $8,142 (1995 – $5,697)	43,485	27,674
Deposit on long-term contract (Note 6)	29,100	30,000
Deferred income taxes	634	–
Other assets (Note 7)	1,467	1,906
	$1,269,267	$1,130,455
liabilities		
Current		
Bank overdraft, arising from outstanding cheques	$ 9,639	$ –
Accounts payable and accrued liabilities	236,406	163,996
Due to related companies	10,659	8,807
Deferred revenue	40,638	34,439
Current portion of long-term debt (Note 8)	6,113	1,706
	303,455	208,948
Long-term debt (Note 8)	417,277	427,294
Unamortized premium on long-term debt	691	1,073
Deferred income taxes	–	5,583
Non-controlling interest	–	4,093
	721,423	646,991
shareholders' equity		
Share capital and contributed surplus (Note 9)	470,752	470,308
Retained earnings	77,092	13,156
	547,844	483,464
	$1,269,267	$1,130,455

On behalf of the board

Warren Chippindale
Director

Robert A. Ferchat
Director

consolidated statements of income

for the years ended December 31 thousands of dollars	1996	1995
Revenue		
Cellular service	$708,688	$597,897
Paging service	68,300	58,946
Equipment sales and other	149,318	124,184
	926,306	781,027
Cost of revenue	252,001	218,026
Selling expenses	210,967	174,525
General and administrative expenses	160,836	122,774
Operating income before depreciation, amortization and special charges	302,502	265,702
Depreciation and amortization	170,217	147,648
Special charges (Note 10)	70,620	–
Operating income	61,665	118,054
Interest expense	(34,708)	(37,665)
Other items (Note 11)	64,695	6,113
Income before income taxes	91,652	86,502
Income taxes (Note 12)		
Current	34,451	20,882
Deferred	(6,735)	14,577
	27,716	35,459
Net income	$ 63,936	$ 51,043
Earnings per share (dollars)	$ 0.92	$ 0.74
Average number of common shares outstanding (thousands)	69,346	69,305

consolidated statements of changes in financial position

for the years ended December 31		
thousands of dollars	**1996**	1995
operating activities		
Net income	**$ 63,936**	$ 51,043
Items not affecting cash		
Depreciation and amortization	**170,217**	147,648
Deferred income taxes	**(6,735)**	14,577
Share of net income of associated companies	**(137)**	(504)
Non-controlling interest	**(1,350)**	(1,473)
Special charges	**70,620**	–
Gain on sale of investments	**(66,495)**	–
Other	**5,751**	1,723
Cash flow from operations	**235,807**	213,014
Increase in deferred charges	**(18)**	(22)
Decrease (increase) in working capital (Note 13)	**(30,856)**	18,520
	204,933	231,512
financing activities		
Increase in long-term debt	**88,390**	219,172
Repayments of debentures	**(94,000)**	(88,000)
Debt issue costs	**–**	(1,180)
Issue of common shares	**444**	1,494
Issue (redemption) of equity to non-controlling interest	**(996)**	2,911
	(6,162)	134,397
investing activities		
Capital expenditures	**(329,809)**	(241,844)
Proceeds of disposal of fixed assets	**578**	2,445
Proceeds of disposal of investments and business (Note 11)	**78,683**	–
Refund of deposit (Note 4)	**27,198**	–
Acquisitions and investments (Note 14)	**(44,178)**	(62,381)
Other items	**30**	936
	(267,498)	(300,844)
cash position		
Increase (decrease) during the year	**(68,727)**	65,065
At beginning of year	**59,088**	(5,977)
At end of year	**$ (9,639)**	$ 59,088

consolidated statements of retained earnings

for the years ended December 31		
thousands of dollars	**1996**	1995
Retained earnings (deficit) at beginning of year	**$13,156**	$(37,887)
Net income	**63,936**	51,043
Retained earnings at end of year	**$77,092**	$ 13,156

notes to consolidated financial statements

note 1. nature of operations

BCE Mobile Communications Inc. ("BCE Mobile" or the "Corporation") and its subsidiaries, operating under the Bell Mobility banner, provide wireless communications services to customers in Canada. The Corporation currently offers cellular, paging and data communications services in Ontario and Quebec. BCE Mobile is also involved in airline passenger communications and the sale of wireless equipment and private radio systems.

In December 1995, Industry Canada awarded a license to offer digital personal communications services ("PCS") in the 1.9 GHz frequency range to BCE Mobile, as a shareholder of Mobility Canada.

basis of presentation

At December 31, 1996, the Corporation was 65.3% owned by BCE Inc. ("BCE"). BCE Mobile is a holding company which carries on substantially all of its operations through its subsidiaries, principally – Bell Mobility Cellular Inc. ("Bell Mobility Cellular") and Bell Mobility Paging Inc. ("Bell Mobility Paging"), as well as through Skytel Communications Corporation, Bell-Ardis Inc. ("Bell-Ardis") and Bell Mobility Radio Inc. ("Bell Mobility Radio"). All subsidiaries are consolidated.

BCE Mobile uses the equity method to account for investments in companies and other business ventures over which it exercises significant influence. The Corporation uses the cost method to account for portfolio investments.

Certain previously reported figures have been reclassified to conform with the current presentation.

note 2. significant accounting policies

a) Inventories

Inventories consist of cellular phones, pagers and mobile radios held for resale and spare parts. The inventories are valued at the lower of cost and net realizable value. Cost is determined on a first in, first out basis for items for resale. The average cost method is used for spare parts.

b) Prepaid expenses and other current assets

Prepaid expenses and other current assets include equipment costs associated with certain customer contracts which were, until December 31, 1996, deferred and amortized over the term of the customer contract, to a maximum of 18 months. Effective January 1, 1997, the Corporation discontinued this practice and commenced expensing equipment costs as incurred (See Note 10).

c) Translation of foreign currencies

Integrated subsidiaries are financially or operationally dependent on the parent company. Monetary assets and liabilities are translated at the exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at average rates for the period. Translation exchange gains or losses are included in net income.

d) Depreciation and amortization

Depreciation of fixed assets is computed using the straight-line method over the estimated useful life of the assets, as follows:

cellular network equipment			
cell sites	8 years	equipment installed on aircraft	10 years
microwave	12 years	other telecommunications equipment	3 to 8 years
switches	10 years	office equipment	10 years
test	5 years	computers	3 years
pagers	3 years	buildings	40 years
paging network equipment	10 years	leasehold improvements	lease term

(continued on next page)

note 2. significant accounting policies (continued)

e) Licenses and permits

This asset represents the cost of acquiring the right to transmit radio signals in a given licensed area, less accumulated amortization. The amortization is computed on a straight-line basis over a 20-year period. Amortization for the year amounted to $2,445,000 (1995 – $1,845,000).

Management reviews the carrying value of the licenses and permits on an ongoing basis to determine if an impairment has occurred. The determination as to whether an impairment has occurred is made by comparing the carrying value to the projected undiscounted operating income before depreciation and amortization, less capital expenditures, of the related activity.

f) Income taxes

The Corporation follows the tax allocation method of accounting for income taxes whereby the income taxes charged against income for the period are computed on the basis of accounting income rather than taxable income. Deferred income taxes result from timing differences in the recognition of income and expenses for income tax and financial statement purposes.

g) Deferred revenue

Deferred revenue consists of cellular system license fees, prepayments under certain cellular and paging customer contracts and other amounts billed to customers in advance. System license fees are amortized to revenue over a 12-month period ending on the anniversary date of billing. Prepayments are amortized to revenue over the term of the contract. Other amounts billed in advance are recognized as revenue in the month the service is rendered.

h) Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

note 3. cash and short-term investments

Cash and short-term investments consist of all bank balances and liquid investments with a maturity of less than three months.

Included in cash and short-term investments at December 31, 1995 was $47,978,000 of surplus cash invested with BCE under the terms of a short-term investment agreement. The investments earned interest at 5.52% and matured in March 1996.

note 4. investments

thousands of dollars	**1996**	1995
IRIDIUM project (a)	**$59,043**	$40,654
Investment in AirLink, L.L.C. (b)	**–**	28,214
Clearnet Communications Inc. (Note 11)	**–**	5,356
Teletech Financial Corporation (Note 11)	**–**	5,587
Other	**2,433**	251
	$61,476	$80,062

(a) At December 31, 1996, BCE Mobile owned 47.6% of the voting shares of Iridium Canada Inc. ("Iridium Canada"), as well as a preferred share interest in Iridium, L.L.C., the satellite service operator. Iridium Canada currently owns approximately 4% of Iridium, L.L.C. and has interests in the licensed distributors for IRIDIUM satellite service in North America. The investment in Iridium Canada is accounted for using the equity method.

Under certain circumstances, the Corporation has also agreed to invest up to a further U.S. $6.7 million in Iridium, L.L.C.

(b) AirLink, L.L.C. ("AirLink") was formed in 1995 to bid for and acquire licenses for 1.9 GHz personal communications services in the "C Block" auctions held by the Federal Communications Commission ("FCC") in the United States. BCE Mobile and Bell Canada International Inc. together had acquired a 25% equity participation in AirLink for a nominal amount. The investment represented funding for the US $20 million deposit made by AirLink for its participation in the auctions and BCE Mobile's share of operating expenses. AirLink withdrew from the auctions in March 1996, and the deposit was refunded by the FCC. The balance of the investment was written off in 1996.

note 5. fixed assets

thousands of dollars	1996		1995	
	cost	net book value	cost	net book value
Cellular network equipment				
Cell sites	$ 783,832	$445,753	$ 672,759	$395,241
Switches	259,926	196,221	150,702	109,895
Microwave	191,657	88,593	163,559	84,276
Test	33,591	10,737	28,630	10,101
	1,269,006	741,304	1,015,650	599,513
Pagers	58,888	17,227	48,003	12,894
Paging network equipment	55,459	31,755	45,388	25,803
Equipment installed on aircraft	29,993	18,780	24,425	15,276
Other telecommunications equipment	38,687	12,459	37,802	14,854
Office equipment	57,513	22,911	49,311	20,078
Computers	118,509	31,665	88,791	23,899
Land and buildings	9,928	9,392	9,928	9,521
Leasehold improvements and other	18,968	10,125	14,221	8,234
	$1,656,951	$895,618	$1,333,519	$730,072

Included in cellular network equipment are fixed assets under development and not being depreciated totalling $199,973,000 (1995 – $126,146,000).

note 6. deposit on long–term contract

As a part of the reorganization of Telesat Mobile Inc. ("TMI") in 1993, BCE Mobile agreed to exchange its $30,000,000 investment in debentures of TMI for a service agreement with TMI Communications and Company, Limited Partnership ("TMI Communications"), TMI's successor company. Under this seven-year agreement, TMI Communications is providing 50 million minutes of satellite capacity to BCE Mobile at no additional cost during the first five years of the contract's term. During the last two years of the contract, BCE Mobile has agreed to purchase an additional 10 million minutes of satellite capacity at the lower of market rates or $1.00 per minute.

The contract's term began on January 15, 1996, when TMI Communications commenced commercial satellite service using leased satellite capacity. TMI Communications launched its own satellite in April 1996. BCE Mobile cannot predict the extent to which or the rate at which a market for the satellite service will develop and allow realization of the revenues arising from the minutes made available under the service contract.

The deposit is being amortized as the minutes of satellite service are sold to BCE Mobile's customers, subject to a minimum annual amortization schedule established when the contract's term commenced. Amortization for the year amounted to $900,000.

note 7. other assets

thousands of dollars	1996	1995
Debt issue costs	$1,063	$1,484
Long-term receivables	377	407
Other deferred charges	27	15
	$1,467	$1,906

Amortization charges for the year amounted to $427,000 (1995 – $475,000).

note 8. long-term debt

thousands of dollars	1996	1995
Bell Mobility Cellular		
Bank credit facility (Note 8(a))	**$ 64,721**	$ –
Senior unsecured debentures		
Series B, bearing interest at 12.9% Bell Mobility Cellular will retire annually $4,000,000 of the initial principal beginning on August 14, 1996.	**8,000**	12,000
Series C, bearing interest at 11.3%, repaid at maturity on June 21, 1996	**–**	90,000
Series D, issued at 101.91, bearing interest at 8.3% due on October 23, 1998	**100,000**	100,000
Senior unsecured notes		
Series 1, issued for US $150,000,000, bearing interest at 6.55%, due on August 15, 2000. All interest and principal payments relating to these notes have been converted to Canadian dollars at a fixed exchange rate of 1.38 through the use of a cross-currency swap agreement. The effective interest rate under the agreement has been fixed at 7.99% for the term of the notes.	**205,680**	204,750
Cross-currency swap payable due on August 15, 2000	**1,320**	2,250
Bell Mobility Paging		
Bank credit facility (Note 8(b))	**25,000**	–
Bell Mobility Radio		
Term credit facility (Note 8(c))	**18,294**	20,000
Other	**375**	–
	423,390	429,000
Less: current portion	**6,113**	1,706
	$417,277	$427,294

Minimum instalments on long-term debt, including amounts that will be refinanced with long-term debt due in the next five years, are as follows (thousands of dollars):

1997	1998	1999	2000	2001
$6,113	$106,215	$2,313	$209,560	$2,835

financing agreements

a) In 1995, Bell Mobility Cellular entered into an agreement with a syndicate of Canadian financial institutions for a $250,000,000 five-year, unsecured revolving credit facility. Funds advanced under the facility are available at rates of interest based on Canadian bank prime, banker's acceptance, U.S. base and LIBOR rates. At December 31, 1996, $64,721,000 had been drawn under this facility, bearing interest at 3.0%.

b) Bell Mobility Paging has bank credit facilities totalling $30,000,000, which bear interest at banker's acceptance rates plus 1/2%. These facilities are extendable annually, at the lenders' option. At December 31, 1996, $25,000,000 had been drawn on this facility, bearing interest at 3.1%.

c) Bell Mobility Radio has fully drawn on a non-revolving term credit facility, which bears interest at 10.28% and is repayable in equal consecutive quarterly payments value which commenced in March 1996. The facility is secured by a first mortgage on certain non-cellular assets.

d) In 1996, the Corporation entered into an agreement with a syndicate of Canadian financial institutions for a $ 100,000,000 three-year, unsecured revolving credit facility. Funds advanced under the facility are available at rates of interest based on Canadian bank prime, banker's acceptance, U.S. base and LIBOR rates. At December 31, 1996, no amount had been drawn under this facility.

note 9. share capital and contributed surplus

authorized

The Articles of the Corporation provide for an unlimited number of common shares without nominal or par value, and an unlimited number of first and second preferred shares issuable in series.

issued and outstanding

Common shares:

1996			1995		
number	stated capital $000	contributed surplus $000	number	stated capital $000	contributed surplus $000
69,352,141	**$288,049**	**$182,703**	69,338,769	$287,605	$182,703

During the year, the Corporation issued 13,372 common shares for $444,000 in cash as a result of the exercise of stock options (1995 – 58,161 shares for $1,494,000).

stock options

At December 31, 1996, 232,462 common shares remained authorized for issuance under the Corporation's stock option plans.

Details of stock option outstanding are as follows:

	1996	1995
Number of options:		
Outstanding at beginning of year	**140,332**	179,823
Granted	**78,555**	29,567
Exercised	**(13,372)**	(58,161)
Forfeited	**(10,957)**	(10,897)
Outstanding at end of year	**194,558**	140,332
Exercisable at end of year	**77,469**	67,182
Ranges of exercise prices:		
Granted	**$42.2975 to $46.0938**	$39.8000 to $46.2375
Exercised	**$20.1670 to $37.4250**	$20.1670 to $37.4250
Outstanding at end of year	**$28.9750 to $44.7750**	$20.1670 to $46.2375
Exercisable at end of year	**$28.9750 to $42.1500**	$20.1670 to $46.2375
Aggregate value:		
Granted	**$3,377,000**	$1,331,000
Exercised	**$ 444,000**	$1,494,000
Outstanding at end of year	**$8,144,000**	$5,644,000
Exercisable at end of year	**$3,108,000**	$2,468,000

note 10. special charges

a) Special charge for technology change

BCE Mobile plans to facilitate the migration of digital cellular customers who are currently using Time Division Multiple Access ("TDMA") technology to Code Division Multiple Access ("CDMA") technology. To this end, the Corporation has recorded a provision of $22,500,000.

b) Write-off of deferred equipment costs

Effective January 1, 1997, BCE Mobile will no longer defer and amortize equipment costs associated with certain customer contracts as current circumstances indicate that the benefit from these expenditures relates more appropriately to current period activities. As a result, BCE Mobile wrote off the unamortized balance of these deferred costs at December 31, 1996 of $48,120,000.

note 11. other items

thousands of dollars	1996	1995
Non-controlling interest in net loss of subsidiaries	**$ 1,350**	$1,473
Share of net income of associated companies	**137**	504
Gain on sale of investments and business (a)	**66,495**	–
Investment income	**2,713**	3,735
Miscellaneous items (b)	**(6,000)**	401
	$64,695	$6,113

(a) In January 1996, the Corporation sold its remaining investment in Clearnet Communications Inc. for $65,713,000 in cash, resulting in a gain of $60,357,000.

In September 1996, BCE Mobile sold its interest in Teletech Financial Corporation for net cash proceeds of $12,270,000, resulting in a gain of $6,075,000.

In October 1996, Bell Mobility Radio sold a portion of its private radio business for $700,000. The company disposed of net tangible assets of $637,000, resulting in a gain of $63,000.

(b) Miscellaneous items include provisions of $5,659,000 available for investments and other assets, including a charge to write off the Corporation's remaining investment and costs associated with its participation in AirLink.

note 12. income taxes

Income taxes included in the statements of income differ from the statutory income tax rate as follows:

thousands of dollars	1996	1995
Statutory income tax rate	**42.56%**	42.56%
Income taxes based on the statutory income tax rate	**$39,007**	$36,815
Adjustments resulting from:		
Share of net income of associated companies	**(58)**	(215)
Amortization of licenses and permits	**847**	785
Non-controlling interest	**(575)**	(627)
Income tax rate differentials	**746**	(306)
Tax on large corporations	**2,100**	333
Recovery of losses not income tax-effected, net	**(8,301)**	(1,711)
Non-taxable portion of capital transactions	**(6,098)**	–
Non-deductible expenses	**48**	385
Income taxes	**$27,716**	$35,459

note 13. change in working capital

thousands of dollars	1996	1995
Increase in current assets		
Accounts receivable	**$(33,209)**	$(14,691)
Inventories	**(23,776)**	(7,370)
Prepaid expenses and other current assets	**(27,080)**	(15,725)
Increase in current liabilities		
Accounts receivable and accrued liabilities	**46,346**	43,482
Due to affiliated companies	**1,852**	2,167
Deferred revenue	**5,011**	10,657
Decrease (increase) in working capital	**$(30,856)**	$ 18,520

note 14. acquisitions and investments

a) In April 1996, Bell Mobility Paging purchased certain assets of TeleZone Corporation, principally in Ontario, for cash consideration of $18,782,000. The company acquired net tangible and intangible assets of $1,172,000 and $17,610,000, respectively.

b) Bell Mobility Paging purchased interests in the operations of two paging resellers operating in the province of Quebec for $965,000. The company acquired net tangible and intangible assets of $310,000 and $655,000, respectively.

c) Bell Mobility Cellular purchased the assets of two cellular retail outlets operating in the province of Ontario for $714,000.

d) In December 1996, BCE Mobile purchased the remaining 40% interest in Bell-Ardis for $2,044,000 in cash, all allocated to net tangible assets.

e) During the year, the Corporation also made investments, principally in the IRIDIUM project, totalling $21,673,000.

note 15. business segments

BCE Mobile operates principally in one business segment – the offering of cellular service in Ontario and Quebec. The Corporation's other activities consist of paging and data communications services, airline passenger communications, the sale of wireless equipment and private radio systems. Management does not consider any of these individual activities to be reportable segments.

December 31, 1996 Business Segment Data

thousands of dollars	cellular service	paging service, equipment sales and other	eliminations	consolidated
Revenues – external	$ 703,686	$222,620	$ –	$ 926,306
– inter-segment	5,002	2,870	(7,872)	–
	708,688	225,490	(7,872)	926,306
Cost of revenues and expenses	416,826	214,850	(7,872)	623,804
Operating income before depreciation, amortization and special charges	291,862	10,640	–	302,502
Depreciation, amortization and special charges	144,198	26,019	–	170,217
Special charges	70,620	–	–	70,620
Operating income	$ 77,044	$ (15,379)	$ –	$ 61,665
Interest expense				(34,708)
Other items				64,695
Income before income taxes				$ 91,652
Assets	$1,015,322	$253,945		$1,269,267
Liabilities	$ 614,894	$106,529		$ 721,423
Capital expenditures	$ 228,863	$100,946		$ 329,809

(continued on next page)

note 15. business segments (continued)

December 31, 1995 Business Segment Data

thousands of dollars	cellular service	paging service, equipment sales and other	eliminations	consolidated
Revenues – external	$594,037	$186,990	$ –	$ 781,027
– inter-segment	3,860	1,128	(4,988)	–
	597,897	188,118	(4,988)	781,027
Cost of revenues and expenses	341,631	178,682	(4,988)	515,325
Operating income before depreciation and amortization	256,266	9,436	–	265,702
Depreciation and amortization	125,092	22,556	–	147,648
Operating income	$131,174	$ (13,120)	$ –	118,054
Interest expense				(37,665)
Other items				6,113
Income before income taxes				$ 86,502
Assets	$890,766	$239,689		$1,130,455
Liabilities	$562,675	$ 84,316		$ 646,991
Capital expenditures	$194,100	$ 47,744		$ 241,844

note 16. reconciliation of financial statements prepared under Canadian generally accepted accounting principles ("GAAP") and United States GAAP

Items where material differences between Canadian and United States GAAP exist, and their impact on the consolidated financial statements are explained below:

a) Net Income Reconciliation

thousands of dollars	**1996**	1995
Net income, as reported, under Canadian GAAP	**$63,936**	$51,043
Income taxes (i) FAS109	**(2,008)**	(2,141)
Net income under United States GAAP	**$61,928**	$48,902
Earnings per share under United States GAAP	**$ 0.89**	$ 0.71

b) Balance Sheet Reconciliation

December 31, 1996

thousands of dollars	**Canadian GAAP**	**adjustments**	**United States GAAP**
Assets	**$1,269,267**	**(i) $1,112**	**$1,270,379**
Liabilities and deferred income taxes	**$ 721,423**		**$ 721,423**
Shareholders' equity	**547,844**	**(i) $1,112**	**548,956**
	$1,269,267	**$ –**	**$1,270,379**

(continued on next page)

note 16. reconciliation of financial statements prepared under Canadian GAAP and United States GAAP (continued)

b) Balance Sheet Reconciliation (continued)

December 31, 1995

thousands of dollars	Canadian GAAP	adjustments	United States GAAP
Assets			
Investments	$ 80,062	(ii) 60,357	$ 140,419
Other Assets	1,050,393		1,050,393
	$1,130,455		$1,190,812
Liabilities and deferred income taxes	$ 646,991	(i) (2,601) (ii) 11,848	$ 656,238
Shareholders' equity	483,464	(i) 2,601 (ii) 48,509	534,574
	$1,130,455		$1,190,812

(i) Income taxes

United States GAAP requires that the impact of all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes be accounted for, and adjusted each year for changes to statutory income tax rates. Under Canadian GAAP, the annual income tax provision results from accounting income for tax purposes calculated using income tax rates in effect for each year, without adjustment for subsequent changes in statutory income tax rates.

The tax effect of significant temporary differences are as follows:

thousands of dollars	**1996**	1995
Deferred tax assets:		
Special charges and expenses not yet deductible for income tax purposes	**$17,488**	$ 3,397
Income tax losses carried forward	**6,294**	14,802
Depreciation of fixed assets	**4,253**	4,156
	28,035	22,355
Valuation allowance	**(9,012)**	(8,359)
	$19,023	$13,996
Deferred tax liabilities:		
Depreciation of fixed assets	**$16,621**	$16,977
Other	**656**	–
	$17,277	$16,977
Net deferred tax assets (liabilities)	**$ 1,746**	$ (2,981)

(continued on next page)

note 16. reconciliation of financial statements prepared under Canadian GAAP and United States GAAP (continued)

(ii) Investments

Under Canadian GAAP, investments that are available for sale are recorded at cost until actually sold. Under United States GAAP, these investments are recorded on the balance sheet at fair market value. The corresponding adjustment between cost and fair market value is recorded as a separate component of shareholders' equity. BCE Mobile's investment in Clearnet Communications Inc. at December 31, 1995 (see Note 4) qualified as an investment available for sale, and would have been recorded on the balance sheet at fair market value under United States GAAP.

(iii) Cash interest and taxes paid

thousands of dollars	1996	1995
Cash interest paid	**$34,941**	$34,427
Cash income taxes paid	**$30,930**	$ 3,500

(iv) Accounts payable and accrued liabilities

thousands of dollars	1996	1995
Trade accounts payable	**$103,274**	$ 44,619
Income taxes payable	**31,769**	23,494
Interest payable	**9,939**	10,172
Payroll-related payables	**17,517**	19,739
Accrued liabilities	**73,907**	65,972
	$236,406	$163,996

note 17. disclosure of the fair value of financial instruments

Fair value estimates are made as of a specific point in time, using available information about the financial instrument. These estimates are subjective in nature and often cannot be determined with precision.

(a) Cash, short-term investments, accounts and notes receivable and accounts payable.

The carrying amounts in the consolidated balance sheets approximate the fair value due to the short maturity of these instruments.

(b) Investments

The carrying amounts of these financial assets are considered to approximate the fair value, unless an investment is available for sale and an independently verifiable market value can be readily determined.

(c) Long–term debt

The estimated fair value of each of the Corporation's long-term debt instruments is based upon the future cash flows associated with each instrument, discounted using a current market rate for a similar debt instrument of comparable maturity.

(d) Cross–currency swap agreements

The estimated fair value of the Corporation's cross–currency swap agreements (see Note 8) is based upon values quoted by the two counterparties to the agreements. The interest rate and currency risks have been mitigated by the cross-currency swap agreements. Any market or liquidity risk arises from the credit worthiness of the counterparties. The Corporation has not required collateral or other security from the counterparties due to the Corporation's assessment of their credit worthiness. The maximum accounting loss that the Corporation would incur if the counterparties to the cross-currency swap were to completely fail to perform according to the terms of the agreements is approximately $18,800,000 at December 31, 1996.

Estimated fair values of the Corporation's financial instruments, where the fair value differs from the carrying amounts on the financial statements as at December 31, 1996 and 1995, are as follows:

(continued on next page)

note 17. disclosure of the fair value of financial instruments (continued)

December 31, 1996

thousands of dollars	carrying amount	estimated fair value
Investments	$ 61,476	$ 61,476
Long-term debt		
Senior unsecured debentures	$108,000	$115,300
Senior unsecured notes, Series 1	205,680	204,400
Other long-term debt	108,390	110,600
Cross-currency swap agreements	1,320	20,100
	$423,390	$450,400

December 31, 1995

thousands of dollars	carrying amount	estimated fair value
Investments	$ 80,062	$140,419
Long-term debt		
Senior unsecured debentures	$202,000	$210,100
Senior unsecured notes Series 1	204,750	208,700
Other long-term debt	20,000	21,600
Cross-currency swap agreements	2,250	7,500
	$429,000	$447,900

note 18. pensions

Certain employees of the Corporation and its subsidiaries are covered by a non-contributory, defined-benefit plan which provides for service pensions, based on length of service and rates of pay.

The policy is to fund pension costs through contributions based on actuarial cost methods as permitted by pension regulatory bodies. Such contributions will reflect actuarial assumptions regarding salary projections and future service benefits. The actuarial present value of benefits has been projected to December 31, 1996 using data from the most recent actuarial valuation, which was completed in 1996 and was based on employee data as at January 1, 1996.

The present value of the accrued plan benefits and net assets available to discharge these benefits are as follows:

thousands of dollars	1996	1995
Actuarial present value of benefits:		
Accumulated benefits		
Vested	$18,678	$16,385
Non-vested	5,603	4,916
	24,281	21,301
Effect of salary projection	13,074	11,470
Accrued benefits	$37,355	$32,771
Net assets available for benefits, at market value	$51,986	$40,470

The provision for pension cost was $5,403,000 for the year ended December 31, 1996 (1995 – $4,616,000).

note 19. related party transactions

thousands of dollars	revenue	cost of revenues and expenses	purchase of fixed assets	due to (from) related companies
December 31, 1996				
Subsidiaries of BCE	**$2,498**	**$58,771**	**$114,781**	**$13,210**
Mobility Canada	**988**	**870**	**–**	**(2,551)**
	$3,486	**$59,641**	**$114,781**	**$10,659**
December 31, 1995				
Subsidiaries of BCE	$3,624	$47,562	$ 57,823	$11,495
Mobility Canada	–	1,660	–	(2,688)
	$3,624	$49,222	$ 57,823	$ 8,807

In December 1995, BCE Mobile purchased two holding companies from BCE for $8,430,000 in cash, all allocated to net tangible assets.

Also, the Corporation invested surplus cash in 1995 with BCE under the terms of a short-term investment agreement (see Note 3).

Transactions with related parties occurred within the course of normal operations and have been measured at the amounts actually exchanged.

note 20. commitments and contingent liabilities

a) At December 31, 1996, the future minimum lease payments under operating leases that have lease terms in excess of one year are as follows:

thousands of dollars	operating leases
1997	$ 29,602
1998	22,845
1999	19,676
2000	14,631
2001	9,179
thereafter	43,901
Total future minimum lease payments	$139,834

Rent expense applicable to operating leases totalled $27,887,000 for the year ended December 31, 1996 (1995 – $22,467,000).

b) The Corporation is contingently liable for loan payments on contracts between subscribers and a financing company should the subscribers default on the lease. The cost to the Corporation is dependent on the extent of recovery from the subscribers.

c) The Corporation has been named as a co–defendant along with other industry leaders in a $62 million lawsuit brought on by a distributor of electronic equipment, including cellular telephones, alleging the defendants pursued telephone pricing policies which were in contravention of competition legislation. Management is of the view, supported by counsel, that this suit is of doubtful merit and that the Corporation has a serious and substantial defence against this action.

The Corporation is also a defendant in a number of other commercial disputes, including an action brought on by a former cellular dealer for $7.3 million.

Management does not expect that either of the above actions will result in a material adverse impact on the Corporation.

note 21. subsequent event

In January 1997, Bell Mobility Cellular issued $150,000,000 of senior unsecured debentures, Series E. The debentures bear interest at 7.3% and mature in January 2007.

quarterly financial data

millions of dollars	1996			
	Q1	Q2	Q3	Q4
income statement				
Revenues				
Cellular service	$157.4	$177.4	$184.0	$189.9
Paging service	15.8	16.6	18.3	17.6
Equipment sales & other	24.5	39.7	35.8	56.5
Inter-company eliminations	(1.4)	(2.1)	(1.9)	(1.8)
Total	196.3	231.6	236.2	262.2
EBITDA	68.3	74.3	86.5	73.4
Depreciation and amortization	47.9	38.3	40.5	43.5
Interest	10.2	9.9	7.9	6.7
Net income (reported)	43.3	15.3	21.5	(16.1)
Net income (before non-recurring items)	11.9	15.3	21.5	11.5
Earnings per share (reported) ($)	0.62	0.22	0.31	(0.23)
Earnings per share (before non-recurring items) ($)	0.17	0.22	0.31	0.17
balance sheet (at December 31)				
Working capital [1]	119.2 [2]	(19.0)	(25.7)	(59.9)
Fixed assets – net	726.0	782.2	802.7	895.6
Total debt	428.6	350.9	344.1	423.4
Shareholders' equity	526.9	542.2	563.7	547.8
statement of changes in financial position				
Cash flow from operations	52.8	55.7	55.2	72.1
Financing – net	(2.4)	(76.9)	(6.8)	79.9
Capital expenditures	43.3	91.6	60.1	134.8
Cash flow per share ($)	$ 0.76	$ 0.80	$ 0.80	$ 1.04

millions of dollars	1995			
	Q1	Q2	Q3	Q4
income statement				
Revenues				
Cellular service	$129.1	$148.1	$157.7	$163.0
Paging service	13.5	14.4	15.4	15.7
Equipment sales & other	24.1	25.1	37.5	42.4
Inter-company eliminations	(1.2)	(1.2)	(1.0)	(1.6)
Total	165.5	186.4	209.6	219.5
EBITDA	54.9	71.5	73.1	66.2
Depreciation and amortization	34.6	36.6	39.0	37.4
Interest	8.6	9.0	9.7	10.4
Net income	7.3	15.2	15.6	12.9
Earnings per share ($)	0.11	0.22	0.22	0.19
balance sheet (at December 31)				
Working capital [1]	39.8	44.5	140.7 [2]	53.5 [2]
Fixed assets – net	635.8	647.3	680.4	730.1
Total debt	315.8	312.5	426.0	429.0
Shareholders' equity	438.4	454.1	470.2	483.5
statement of changes in financial position				
Cash flow from operations	46.6	62.3	64.3	39.8
Financing – net	18.1	(2.9)	114.2	5.0
Capital expenditures	25.9	47.6	71.6	96.7
Cash flow per share ($)	$ 0.67	$ 0.90	$ 0.93	$ 0.57

note 1: Excludes debt due within one year
note 2: Includes $133.4M, $59.1M and $109.2M of cash and short-term investments in Q3 1995, Q4 1995 and Q1 1996, respectively

historical summary

financial data

millions of dollars	**1996**	1995	1994	1993	1992	1991 [1]	1990 [1,2]	1989 [1,2]	1988 [1,2]
income statement									
Revenues									
Cellular service	**$708.7**	$597.9	$468.7	$372.5	$322.1	$269.6	$229.4	$144.0	$ 82.5
Paging service	**68.3**	58.9	49.1	40.2	32.3	40.6	43.9	42.5	36.1
Equipment sales & other	**156.5**	129.2	102.9	86.9	80.9	51.8	52.1	49.4	47.8
Inter-company eliminations	**(7.2)**	(5.0)	(4.2)	(2.3)	(1.9)	(1.4)	(1.3)	(0.7)	(0.5)
Total	**926.3**	781.0	616.5	497.3	433.4	360.6	324.1	235.2	165.9
EBITDA	**302.5**	265.7	221.5	168.7	134.9	101.0	87.0	54.2	34.7
EBITDA per share ($)	**4.36**	3.83	3.20	2.44	1.95	1.51	1.38	0.88	0.59
Depreciation and amortization	**170.2**	147.6	119.5	102.7	92.7	89.6	71.8	54.2	35.4
Interest	**34.7**	37.7	35.0	35.0	40.1	44.9	44.4	20.3	8.9
Net income (loss)	**63.9**	51.0	36.6	3.6	(3.9)	(17.9)	(25.6)	(16.8)	(3.9)
Earnings (loss) per share ($)	**$ 0.92**	$ 0.74	$ 0.53	$ 0.05	$ (0.06)	$ (0.27)	$ (0.41)	$ (0.27)	$ (0.07)
Average common shares (thousands)	**69,346**	69,305	69,265	69,210	69,135	66,928	63,057	61,325	58,607
balance sheet (at December 31)									
Working capital [3]	**$ (59.9)**	$ 53.5	$ 2.6	$ 15.2	$ (1.9)	$ 9.7	$ 26.6	$ 25.6	$ 9.8
Fixed assets – net	**895.6**	730.1 [4]	644.0	647.4	592.2	592.4	549.9	402.2	228.0
Total debt	**423.4**	429.0	297.8	373.0	327.1	319.4	386.0	264.4	99.3
Shareholders' equity	**$547.8**	$483.5	$430.9	$393.4	$387.5	$390.5	$308.2	$260.0	$223.9
Common shares (thousands)	**69,352**	69,339	69,281	69,248	69,153	69,106	64,994	61,992	59,844
statement of changes in financial position									
Cash flow	**$235.8**	$213.0	$183.9	$134.7	$ 98.3	$ 58.1	$ 43.8	$ 35.8	$ 26.0
Financing – net	**(6.2)**	134.4	(72.4)	51.0	11.7	32.1	194.2	216.3	87.6
Capital expenditures	**329.8**	241.8	127.1	162.8	90.2	136.8	215.0	226.3	83.7
Cash flow per share ($)	**$ 3.40**	$ 3.07	$ 2.66	$ 1.95	$ 1.42	$ 0.87	$ 0.69	$ 0.58	$ 0.44
consolidated ratios									
Operating cash flow margin (%)	**32.7**	34.0	36.0	33.9	31.1	28.0	26.9	23.0	20.9
Return on average total capital (%)	**13.1**	14.7	13.5	8.3	5.7	3.7	2.2	(1.1)	1.6
Return on average common equity (%)	**12.4**	11.2	8.9	0.9	(1.0)	(5.1)	(9.0)	(6.9)	(2.0)
Debt to total capital (%)	**43.6**	47.0	40.9	48.7	45.8	45.7	56.2	50.8	31.4

note 1: Restated in 1992 to reflect full expensing of cellular dealer commissions
note 2: Restated in 1991 to reflect change in depreciation policy for pagers
note 3: Excludes debt due within one year
note 4: Includes $59.1M of cash and short-term investments
note 5: Began trading September 10, 1996
n.a.: Not available

other statistics

	1996	1995	1994	1993	1992	1991	1990	1989	1988
cellular service									
Subscribers	**1,044,000**	798,000	592,000	421,000	329,000	263,000	209,000	141,000	88,000
Gross additions	**376,000**	310,000	242,000	158,000	130,000	121,000	117,000	80,000	56,000
Population of Ontario and Quebec (millions)	**18.0**	17.7	17.5	17.0	16.9	16.7	16.5	16.3	16.1
Population in market served (millions)	**17.1**	16.8	16.6	15.7	15.3	15.0	14.7	13.9	11.8
% of population served (%)	**95.0**	94.9	94.8	92.5	90.5	89.8	89.1	85.3	73.3
Subscribers to population served (%)	**6.09**	4.75	3.57	2.69	2.15	1.76	1.43	1.02	0.75
Cellular area served (km^2)	**243,000**	234,000	225,000	221,000	220,000	209,000	207,000	158,000	110,000
Cell sites	**837**	667	555	531	495	446	395	246	149
Radio channels	**24,500**	21,300	16,700	15,200	14,100	12,900	12,200	7,000	3,300
Calls per business day (millions)	**5.8**	3.9	3.0	2.5	1.9	1.7	1.3	1.0	n.a.
Churn (%/month)	**1.2**	1.3	1.2	1.5	1.9	2.4	2.5	1.9	1.8
Usage per subscriber (minutes/month)	**159**	143	151	146	168	174	204	212	225
Revenue per subscriber ($/month)	**67**	75	81	85	93	98	113	106	111
Revenue per minute ($)	**0.42**	0.52	0.54	0.58	0.56	0.56	0.55	0.50	0.49
Uncollectibles % of revenues (%)	**1.2**	1.3	1.2	1.2	2.7	4.1	3.6	2.2	1.2
Operating cash flow margin (%)									
– before selling	**67.7**	67.8	67.1	63.7	59.4	53.2	54.7	55.2	50.3
– after selling	**41.2**	42.9	45.1	43.6	40.9	33.7(1)	32.9(1)	23.8(1)	8.7(1)
Selling cost per gross addition ($)	**495**	483	425	473	458	433	426	567	617
paging service and other operations									
Pagers in service	**396,000**	275,000	220,000	181,000	132,000	121,000	145,000	130,000	114,000
Revenue per pager ($/month)	**17**	20	20	21	21	23	27	n.a.	n.a.
Data terminals	**2,200**	2,200	2,600	1,800	1,300	1,000	100	0	0
Airline telephones	**8,200**	7,000	7,000	4,800	4,800	1,050	0	0	0
other									
Employees (Dec 31)	**2,681**	2,442	1,953	1,709	1,882	1,858	1,995	1,946	1,639
common share price & volume									
(TSE & ME)									
High ($)	**48.500**	49.000	45.250	43.000	33.250	30.000	34.000	39.000	22.750
Low ($)	**39.300**	39.000	35.000	31.500	24.250	18.000	14.750	20.375	8.000
Close (TSE) ($)	**40.600**	46.125	44.500	41.375	32.000	29.625	18.375	33.000	20.750
Volume (thousands of shares)	**13,884**	12,712	15,519	8,434	10,083	11,067	12,467	16,653	7,441
(NYSE(5))									
High (US$)	**35.000**								
Low (US$)	**29.125**								
Close (US$)	**29.625**								
Volume (thousands of shares)	**41**								

(See opposite page for footnotes)

board of directors

Warren Chippindale
F.C.A., of Mont-Tremblant, Quebec, has served as a director since November 1987. He is also a director of Alcan Aluminium Limited, BCE Inc., Bell Canada, The Molson Companies Limited and Spectrum United Funds. He retired in 1986 after 15 years as Chairman and Chief Executive Partner of Coopers & Lybrand. (Age 68)

J. V. Raymond Cyr
O.C., of Montreal, Quebec, has served as a director since July 1992. He is also a director of Bell Canada, Teleglobe Inc., Spar Aerospace Limited, Air Canada, Canadian National Railway Company, Dominion Textile Inc. and Domtar Inc. He is Chairman of the Board of Telesat Canada, TMI Communications & Company, Limited Partnership and SSIG Holdings Limited. He is a former Chairman of the Board of BCE Inc., Bell Canada, the BCE Canadian Telecom Group and BCE Mobile Communications Inc. (Age 62)

Robert A. Ferchat
F.C.A., of Mississauga, Ontario, is Chairman of the Board and Chief Executive Officer of BCE Mobile Communications Inc. He has served as a director since November 1994. He is also a director of Gennum Corporation, TMI Communications & Company, Limited Partnership and Junior Achievement of the Metro Toronto and York Regions. He is a former Chairman, President & CEO of TMI Communications Inc. and President of Northern Telecom Canada Ltd. (Age 62)

Edward C. Lumley
(The Honourable, P.C.) of South Lancaster, Ontario, is Vice-Chairman of Nesbitt Burns Inc. He has served as a director since April 1995. He is also a director of Air Canada, AIT Advanced Information Technologies Corporation, Canadian National Railway Company, DY-4 Systems Inc., Gendis Inc., Magna International Inc. and Trilon Financial Corporation. He is a former Chairman of Noranda Manufacturing Group Inc. (Age 57)

John T. McLennan
of Ottawa, Ontario, is President and Chief Executive Officer of Bell Canada. He has served as a director since May 1990. He is also a director of Bell Canada, Maritime Telegraph & Telephone Company Limited, Bell Sygma Inc., Telesat Canada and a Member of the Board of Trustees of Clarkson University (N.Y.). He is a former President & Chief Executive Officer and former Chairman of the Board of BCE Mobile Communications Inc. (Age 51)

Léonce Montambault
of Sillery, Quebec, has served as a director since July 1990. He is also a director of National Bank of Canada and Groupe Sodisco-Howden Inc. He is a former Chairman of the Board and Chief Executive Officer of Bell Canada. (Age 64)

Ronald W. Osborne
F.C.A., of Montreal, Quebec, is President of BCE Inc. He has served as a director since April 1995. He is also a director of BCE Inc., Bell Canada, Northern Telecom Limited, Teleglobe Inc., Noranda Inc., The Sun Life Assurance Company of Canada and is involved in the Shaw Festival and the Banff Centre. He is a former President and Chief Executive Officer of Maclean Hunter Limited. (Age 50)

John H. Panabaker
C.M., of Waterloo, Ontario, has served as a director since July 1989. He is also a director of Bell Canada, Economical Mutual Insurance Company and The Missisquoi Insurance Company. He held several senior management positions at Mutual Life of Canada, including Chairman of the Board and is Chairman of the Administrative Board of the McMaster Museum of Art. He is a former Chairman of the Board of The Life Office Management Association and the Canadian Life and Health Insurance Association. (Age 68)

John D. Thompson
of Town of Mount Royal, Quebec, is Deputy Chairman of the Board of Montreal Trustco Inc. He has served as a director since July 1992. He is also a director of Domtar Inc., AXA-Boreal Insurance, Transat A.T. Inc., Shermag Inc., Benvest Capital Inc., the Mac-Donald Stewart Foundation and St. Mary's Hospital Foundation. (Age 62)

L.R. Wilson
of Montreal, Quebec, is Chairman of the Board and Chief Executive Officer of BCE Inc. and Chairman of the Board of Bell Canada. He has served as a director since July 1992. He is also a director of Northern Telecom Limited., Teleglobe Inc., Chrysler Corporation, Tate & Lyle plc and Stelco Inc. He is a former Vice-Chairman of the Board of Bank of Nova Scotia and Chairman of the Board of Redpath Industries Ltd. (Age 56)

Executive Committee: L.R. Wilson (chairman), J.V. Raymond Cyr, Robert A. Ferchat, Edward C. Lumley, John T. McLennan
Audit Committee: Warren Chippindale (chairman), Edward C. Lumley, Léonce Montambault, John D. Thompson
Management Resources and Compensation Committee: John H. Panabaker (chairman), J.V. Raymond Cyr, Léonce Montambault, L.R. Wilson

corporate officers

Robert A. Ferchat
Chairman of the Board
and Chief Executive Officer

James R. Cole
Senior Vice-President,
Customer Services

Yves Desjardins-Siciliano
Senior Vice-President,
Law, Corporate Positioning
& Development and
Corporate Secretary

Pierre N. Lessard
Senior Vice-President,
Finance & Administration
and Chief Financial Officer

James S. Lovie
Senior Vice-President,
Sales, Marketing & Distribution

Randall J. Reynolds
Senior Vice-President,
Market & Network Development

Pierre G. Robitaille
Senior Vice-President,
Organizational Effectiveness

Michael A. Krebs
Vice-President
and Treasurer

Richard J. Mannion
General Counsel
and Assistant Secretary

BCE MOBILE